

**China Construction Bank Corporation,  
Johannesburg Branch**

Basel Pillar III  
Quarter 4 Disclosure Report  
31 December 2023

## OV1: Overview of RWA

R' 000		Notes	a	b	c
			Risk –weighted assets		Minimum capital requirements N1
			31-Dec-23	30-Sep-23	31-Dec-23
1	<b>Credit risk (excluding counterparty credit risk)</b>		19,752,915	19,792,374	2,271,585
2	Of which: standardised approach (SA)		19,752,915	19,792,374	2,271,585
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	<b>Counterparty credit risk (CCR)</b>	N2	827,822	404,500	95,200
7	Of which: standardised approach for counterparty credit risk		827,822	404,500	95,200
8	Of which: Internal Model Method (IMM)		-	-	-
9	Of which: other CCR		-	-	-
10	<b>Credit valuation adjustment (CVA)</b>		470,349	229,827	54,090
11	<b>Equity positions under the simple risk weight approach</b>		-	-	-
12	<b>Equity investments in funds - look-through approach</b>		-	-	-
13	<b>Equity investments in funds - mandate-based approach</b>		-	-	-
14	<b>Equity investments in funds - fall-back approach</b>		-	-	-
15	<b>Settlement risk</b>		-	-	-
16	<b>Securitisation exposures in the banking book</b>		-	-	-
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	<b>Market risk</b>		7,566	10,026	870
21	Of which: standardised approach (SA)		7,566	10,026	870
22	Of which: internal model approaches (IMA)		-	-	-
23	Capital charge for switch between trading book and banking book		-	-	-
24	<b>Operational risk</b>		1,603,806	1,577,808	184,438
25	<b>Amounts below thresholds for deduction (subject to 250% risk weight)</b>		166,258	304,463	19,120
26	<b>Floor adjustment</b>		-	-	-
27	<b>Total (1+6+10+11+12+13+14+15+16+20+23+24+25+26)</b>		22,828,716	22,318,998	2,625,302

### Notes

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

N2: Counterparty credit risk: Increase in CCR is mainly driven by increased replacement cost of the FX derivatives portfolio (mainly USD/ZAR FX swaps) during December 2023. CCR levels are monitored daily and the increase is controlled.

## KM1: Key Metrics

R'000 Notes	a	b	c	d	e	
	31-Dec-23	30-Sep-23	30-Jun-23	31-Mar-23	31-Dec-22	
<b>Available capital (amounts)</b>						
1	Common Equity Tier 1 (CET1)	6,673,353	6,518,723	6,519,599	6,346,188	6,248,228
1a	Fully loaded ECL accounting model	6,673,353	6,518,723	6,519,599	6,346,188	6,248,228
2	Tier 1	6,673,353	6,518,723	6,519,599	6,346,188	6,248,228
2a	Fully loaded accounting model Tier 1	6,673,353	6,518,723	6,519,599	6,346,188	6,248,228
3	Total capital	6,819,701	6,649,502	6,650,980	6,468,821	6,357,329
3a	Fully loaded ECL accounting model total capital	6,819,701	6,649,502	6,650,980	6,468,821	6,357,329
<b>Risk-weighted assets (amounts)</b>						
4	Total risk-weighted assets (RWA)	22,828,716	22,318,998	20,839,745	18,743,645	15,736,482
<b>Risk-based capital ratios as a percentage of RWA</b>						
5	Common Equity Tier 1 ratio (%)	29.23%	29.21%	31.28%	33.86%	39.71%
5a	Fully loaded ECL accounting model CET1 (%)	29.23%	29.21%	31.28%	33.86%	39.71%
6	Tier 1 ratio (%)	29.23%	29.21%	31.28%	33.86%	39.71%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	29.23%	29.21%	31.28%	33.86%	39.71%
7	Total capital ratio (%)	29.87%	29.79%	31.91%	34.51%	40.40%
7a	Fully loaded ECL accounting model total capital ratio (%)	29.87%	29.79%	31.91%	34.51%	40.40%
<b>Additional CET1 buffer requirements as a percentage of RWA</b>						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	0.31%	0.20%	0.22%	0.05%	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)	2.81%	2.70%	2.72%	2.55%	2.55%
12	CET1 available after meeting the bank's minimum capital requirements (%)	21.05%	21.13%	23.19%	25.94%	31.78%
<b>Basel III Leverage Ratio</b>						
13	Total Basel III leverage ratio measure	46,905,400	47,278,494	43,418,913	44,241,796	44,999,495
14	Basel III leverage ratio (%) (row 2/row 13)	14.23%	13.79%	15.02%	14.34%	13.89%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a/row 13)	14.23%	13.79%	15.02%	14.34%	13.89%
<b>Liquidity Coverage Ratio</b>						
15	Total HQLA	N1	18,774,699	19,765,156	19,396,167	21,963,108
16	Total net cash outflow	N2	6,245,987	7,819,912	6,265,688	7,976,972
17	LCR ratio (%)	N3	300.59%	252.75%	309.56%	275.33%
<b>Net Stable Funding Ratio</b>						
18	Total available stable funding		22,507,195	20,745,757	21,711,199	21,485,621
19	Total required stable funding		17,337,517	18,107,615	16,607,069	14,364,408
20	NSFR ratio (%)		129.82%	114.57%	130.73%	149.58%

### 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: Total net cash outflow: The decrease is as a result of a decrease in deposits from counterparties.

N3: LCR ratio: The percentage decrease in total net cash outflow is greater than the percentage decrease in total HQLA thus resulting in an increase in LCR.

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

<b>R'000</b>	<i>Notes</i>	<b>a <sup>N1</sup></b>
<b>1</b>	Total consolidated assets as per published financial statements*	44,490,246
<b>2</b>	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory	-
<b>3</b>	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
<b>4</b>	Adjustments for derivative financial instruments	-512,913
<b>5</b>	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-
<b>6</b>	Adjustments for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	2,928,156
<b>7</b>	Other adjustments	-89
<b>8</b>	<b>Leverage ratio exposure measure</b>	<b>46,905,400</b>

\*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-Dec-23	30-Sep-23
<b>On-balance sheet exposures</b>				
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)		43,376,624	44,099,308
2	(Asset amounts deducted in determining Basel III Tier 1 capital)		-89	-134
3	<b>Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of row 1 and 2)</b>		<b>43,376,535</b>	<b>44,099,174</b>
<b>Derivative exposures</b>				
4	Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)		254,017	156,431
5	Add-on amounts for PFE associated with <i>all</i> derivatives transactions		346,692	276,422
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	-69,209
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	<b>Total derivative exposures (sum of rows 4 to 10)</b>	N1	<b>600,709</b>	<b>363,644</b>
<b>Securities financing transactions</b>				
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	<b>Total securities financing transaction exposures (sum of rows 12 to 15)</b>		-	<b>0</b>
<b>Other off-balance sheet exposures</b>				
17	Off-balance sheet exposure at gross notional amount		5,856,312	5,631,352
18	(Adjustments for conversion to credit equivalent amounts)		-2,928,156	-2,815,676
19	<b>Off-balance sheet items (sum of rows 17 and 18)</b>		<b>2,928,156</b>	<b>2,815,676</b>
<b>Capital and total exposures</b>				
20	Tier 1 capital		6,673,353	6,518,723
21	<b>Total exposures (sum of rows 3, 11, 16 and 19)</b>		<b>46,905,400</b>	<b>47,278,494</b>
<b>Leverage ratio</b>				
22	<b>Basel III leverage ratio</b>		<b>14.23%</b>	<b>13.79%</b>

### Notes

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

## LIQ1: LIQUIDITY COVERAGE RATIO (LCR)

R'000		Notes	a	b
			Total unweighted value (average)	Total weighted value (average)
<b>High-Quality Liquid Assets</b>				
1	Total HQLA			18,498,433
<b>Cash outflows</b>				
2	<b>Retail deposits and deposits from small business</b>		<b>61,630</b>	<b>6,163</b>
3	Stable deposits		-	-
4	Less stable deposits		61,630	6,163
5	<b>Unsecured wholesale funding, of which:</b>		<b>10,602,172</b>	<b>8,007,750</b>
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks		-	-
7	Non-operational deposits (all counterparties)		10,602,172	8,007,750
8	Unsecured debt		-	-
9	<b>Secured wholesale funding</b>			-
10	<b>Additional requirements, of which:</b>		<b>5,990,475</b>	<b>823,464</b>
11	Outflows related to derivative exposures and other collateral requirements		121,861	121,861
12	Outflows related to loss of funding of debt products		-	-
13	Credit and liquidity facilities		5,868,615	701,604
14	<b>Other contractual funding obligations</b>		<b>10,199</b>	<b>510</b>
15	<b>Other contingent funding obligations</b>		-	-
16	<b>TOTAL CASH OUTFLOWS</b>			<b>8,837,887</b>
<b>Cash inflows</b>				
17	Secured lending (e.g. reverse repo)		-	-
18	Inflows from fully performing exposures		2,900,130	2,888,718
19	Other cash inflows		959,766	959,766
20	<b>TOTAL CASH INFLOWS</b>		<b>3,859,896</b>	<b>3,848,484</b>
				<b>Total adjusted value</b>
21	<b>Total HQLA</b>			<b>18,498,433</b>
22	<b>Total net cash outflows</b>			<b>4,999,247</b>
23	<b>Liquidity coverage ratio</b>			<b>424%</b>

### 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 December 2023 is 301%.

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