

China Construction Bank Corporation – Hong Kong Branch
Financial Information Disclosure Statement
For the six months ended 30 June 2018

Section A: Hong Kong Branch Information

Income Statement

	<i>Note</i>	<i>Six months ended 30 June 2018 HK\$'000</i>	<i>Six months ended 30 June 2017 HK\$'000</i>
Interest income		6,393,878	5,875,514
Interest expense		(5,479,585)	(4,745,834)
Net interest income		914,293	1,129,680
Net fee and commission income	1	222,829	138,899
Net trading gains	2	243,471	50,893
Other operating income	3	18,867	21,969
Operating income		1,399,460	1,341,441
Operating expenses	4	(249,855)	(253,913)
		1,149,605	1,087,528
Change in expected credit losses		65,907	-
Impairment allowances released		-	222,538
Profit before tax		1,215,512	1,310,006
Taxation charge	5	(200,428)	(219,446)
Net profit		1,015,084	1,090,620

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Statement of Financial Position

	Note	<i>As at</i> 30 June 2018 HK\$'000	<i>As at</i> 31 December 2017 HK\$'000
Assets			
Cash and balances with banks		50,041,561	67,579,953
Placements with banks with residual contractual maturity more than one month but not more than twelve months		26,034,882	7,710,377
Loans to banks		2,936,544	3,579,329
Amounts due from overseas offices		123,486,895	139,032,248
Trade bills		5,545,506	5,775,381
Certificates of deposit held		36,292,012	57,184,352
Loans and advances to customers and other accounts	6	162,023,711	176,087,371
Investment securities	11	97,637,568	89,451,707
Unlisted equity investment		1	1
Other assets		283,887	589,022
Total assets		504,282,567	546,989,741
Equity and liabilities			
Deposits from banks		84,187,867	65,536,921
Financial liabilities sold under repurchase agreements		6,377,012	-
Deposits from customers	12	140,892,599	186,619,654
Amounts due to overseas offices		155,606,473	165,707,410
Certificates of deposit issued		106,928,069	114,902,488
Other liabilities		7,517,583	14,069,777
Total liabilities		501,509,603	546,836,250
Reserves	15	2,772,964	153,491
Total equity and liabilities		504,282,567	546,989,741

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Notes to the financial information

1 Net fee and commission income

	<i>For the six months ended</i>	
	<i>30 June 2018</i>	<i>30 June 2017</i>
	HK\$'000	HK\$'000
Fee and commission income	227,320	143,791
Fee and commission expense	(4,491)	(4,892)
	<u>222,829</u>	<u>138,899</u>

2 Net trading gains

	<i>For the six months ended</i>	
	<i>30 June 2018</i>	<i>30 June 2017</i>
	HK\$'000	HK\$'000
Gains less losses arising from trading in foreign currencies	236,158	55,596
Gains less losses from other trading activities	7,313	(4,703)
	<u>243,471</u>	<u>50,893</u>

There were no net trading gains arose from foreign exchange revaluation gains on RMB foreign exchange contracts entered into for hedging the position of the CCB Group (30 June 2017: HKD66 million).

3 Other operating income

	<i>For the six months ended</i>	
	<i>30 June 2018</i>	<i>30 June 2017</i>
	HK\$'000	HK\$'000
Net gains on disposal of available-for-sale financial assets	-	11,692
Others	18,867	10,277
	<u>18,867</u>	<u>21,969</u>

4 Operating expenses

	<i>For the six months ended</i>	
	<i>30 June 2018</i>	<i>30 June 2017</i>
	HK\$'000	HK\$'000
Premises expenses	4,844	5,665
Management fee paid	243,078	233,960
Others	1,933	14,288
	<u>249,855</u>	<u>253,913</u>

5 Taxation charge

	<i>For the six months ended</i>	
	<i>30 June 2018</i>	<i>30 June 2017</i>
	HK\$'000	HK\$'000
Current tax – Hong Kong Profits Tax		
- Provision for the year	189,045	179,693
Current tax – Overseas		
- Withholding tax charged in the Mainland	-	3,201
Deferred tax		
- Origination and reversal of temporary differences	11,383	36,552
	<u>200,428</u>	<u>219,446</u>

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Notes to the financial information (continued)

6 Loans and advances to customers and other accounts

	<i>As at</i> 30 June 2018 HK\$'000	<i>As at</i> 31 December 2017 HK\$'000
Loans and advances to customers	152,247,741	165,180,726
Less: Expected credit losses	(991,195)	-
Impairment allowances	-	(1,615,552)
	<u>151,256,546</u>	<u>163,565,174</u>
Other accounts		
- Accrued interest receivables	4,190,005	3,575,716
- Others	6,577,160	8,946,481
	<u>10,767,165</u>	<u>12,522,197</u>
	<u>162,023,711</u>	<u>176,087,371</u>

7 Analysis of loans and advances to customers

The following economic sector analysis is based on the categories and definitions used by the Hong Kong Monetary Authority:

(a) Analysis by industry categories

	<i>As at 30 June 2018</i>		<i>As at 31 December 2017</i>	
	HK\$'000	% covered by collateral	HK\$'000	% covered by collateral
<i>Industry categories:</i>				
Industrial, commercial and financial				
- Property development	8,729,633	4.04%	9,039,709	3.84%
- Property investment	1,500,000	0.00%	2,150,000	0.00%
- Financial concerns	9,140,960	22.45%	10,846,115	17.01%
- Wholesale and retail trade	8,540,153	0.00%	7,690,462	0.00%
- Manufacturing	-	0.00%	62,515	0.00%
- Transport and transport equipment	5,267,172	9.29%	4,894,963	10.22%
- Information technology	371,598	0.00%	422,676	0.00%
- Others	8,969,800	33.96%	9,553,600	31.89%
Loans and advances for use in				
Hong Kong	42,519,316	13.97%	44,660,040	12.85%
Trade Finance	5,321,327	87.25%	5,781,925	27.69%
Loans and advances for use outside				
Hong Kong	<u>104,407,098</u>	<u>55.18%</u>	<u>114,738,761</u>	<u>43.33%</u>
Total	<u>152,247,741</u>	<u>44.79%</u>	<u>165,180,726</u>	<u>34.54%</u>

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Notes to the financial information (continued)

7 Analysis of loans and advances to customers (continued)

(b) Analysis by geographical areas

	<i>Total loans and advances to customers HK\$'000</i>	<i>General provisions/ collective impairment allowances HK\$'000</i>
As at 30 June 2018		
Hong Kong	118,164,924	937,676
The Mainland	25,543,015	36,547
United Arab Emirates	452,006	1,600
Others	8,087,796	15,372
Total	<u>152,247,741</u>	<u>991,195</u>
As at 31 December 2017		
Hong Kong	124,183,547	1,427,820
The Mainland	30,374,724	76,315
United Arab Emirates	465,969	6,004
Others	10,156,486	105,413
Total	<u>165,180,726</u>	<u>1,615,552</u>

Loans and advances to customers by geographical area are classified according to the location of the counterparties.

There were no specific provisions made as at 30 June 2018 and 31 December 2017.

8 Overdue and rescheduled assets

(a) Overdue loans and advances

There were no overdue loans and advances as at 30 June 2018 and 31 December 2017.

(b) Rescheduled loans and advances

There were no rescheduled loans and advances as at 30 June 2018 and 31 December 2017.

(c) Other overdue assets

	<i>As at 30 June 2018 HK\$'000</i>	<i>As at 31 December 2017 HK\$'000</i>
Over one year	<u>95,778</u>	<u>95,383</u>

There were no other assets overdue for over three months but one year or less as at 30 June 2018 and 31 December 2017.

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Notes to the financial information (continued)

9 Impaired loans and advances

Impaired loans and advances to customers are those loans and advances where full repayment of principal and/or interest is considered unlikely and are so classified as soon as such a situation becomes apparent.

There were no impaired loans and advances and repossessed assets as at 30 June 2018 and 31 December 2017.

10 Mainland activities exposures

(i) As at 30 June 2018

<i>Types of counterparties</i>	<i>On-balance sheet exposure HK\$'000</i>	<i>Off-balance sheet exposure HK\$'000</i>	<i>Total HK\$'000</i>
(a) Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	80,961,011	20,683,741	101,644,752
(b) Local governments, local government-owned entities and their subsidiaries and JVs	10,004,363	85,527	10,089,890
(c) PRC nationals residing in the Mainland or other entities incorporated in the Mainland and their subsidiaries and JVs	28,882,575	7,324,581	36,207,156
(d) Other entities of central government not reported in item (a) above	911,052	-	911,052
(e) Other entities of local governments not reported in item (b) above	316,160	-	316,160
(f) PRC nationals residing outside the Mainland or entities incorporated outside the Mainland where the credit is granted for use in the Mainland	2,106,661	287,165	2,393,826
(g) Other counterparties where the exposure is considered by the reporting institution to be non-bank Mainland exposures	3,564,387	-	3,564,387
Total	<u>126,746,209</u>	<u>28,381,014</u>	<u>155,127,223</u>
Total assets after provision	<u>504,282,567</u>		
On-balance sheet exposures as percentage of total assets	<u>25.13%</u>		

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10 Mainland activities exposures

(ii) As at 31 December 2017

<i>Types of counterparties</i>	<i>On-balance sheet exposure HK\$'000</i>	<i>Off-balance sheet exposure HK\$'000</i>	<i>Total HK\$'000</i>
(a) Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	65,879,372	20,617,909	86,497,281
(b) Local governments, local government-owned entities and their subsidiaries and JVs	9,787,448	795,473	10,582,921
(c) PRC nationals residing in the Mainland or other entities incorporated in the Mainland and their subsidiaries and JVs	55,857,483	17,429,633	73,287,116
(d) Other entities of central government not reported in item (a) above	1,372,389	520,960	1,893,349
(e) Other entities of local governments not reported in item (b) above	-	-	-
(f) PRC nationals residing outside the Mainland or entities incorporated outside the Mainland where the credit is granted for use in the Mainland	4,162,903	397,179	4,560,082
(g) Other counterparties where the exposure is considered by the reporting institution to be non-bank Mainland exposures	3,550,229	-	3,550,229
Total	140,609,824	39,761,154	180,370,978
Total assets after provision	546,989,741		
On-balance sheet exposures as percentage of total assets	25.71%		

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Notes to the financial information (continued)

11 Investment securities

	<i>As at</i> <i>30 June 2018</i> HK\$'000	<i>As at</i> <i>31 December 2017</i> HK\$'000
Debt investments measured at fair value through other comprehensive income	97,637,568	-
Debt investments measured at amortized costs	95,778	-
Available-for-sale securities	-	89,451,707
Held-to-maturity securities	-	95,383
	97,733,346	89,547,090
Less: Expected credit losses	(95,778)	-
Impairment allowances	-	(95,383)
	(95,778)	(95,383)
Total	97,637,568	89,451,707

12 Deposits from customers

	<i>As at</i> <i>30 June 2018</i> HK\$'000	<i>As at</i> <i>31 December 2017</i> HK\$'000
Demand deposits and current accounts	2,009,120	1,233,624
Savings deposits	21,801,573	13,889,733
Time, call and notice deposits	117,081,906	171,496,297
	140,892,599	186,619,654

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Notes to the financial information (continued)

13 International claims

The international claims are the sum of cross-border claims in all currencies and local claims in foreign currencies. International claims include loans and advances to customers, deposits and placements with banks and non-bank financial institutions, holdings of trade bills and certificates of deposit and investment securities.

International claims have been disclosed by country and geographical area. A country or geographical area is reported when it constitutes 10% or more of the aggregate amount of international claims, after taking into account any risk transfer. Risk is transferred only when the Branch effectively transfers the risk from a particular country or geographical area to other country or geographical area by applying credit risk mitigants. The credit risk can be mitigated through guarantees, collateral and credit derivatives.

derivatives.

	<i>Non-bank private sector</i>				
	<i>Banks</i>	<i>Official</i>	<i>Non-bank</i>	<i>Non- financial</i>	<i>Total</i>
	HK\$'000	sector	financial	private sector	
		HK\$'000	institutions	HK\$'000	HK\$'000
			HK\$'000		
As at 30 June 2018					
Offshore centres	47,898,775	-	1,122,615	35,121,018	84,142,408
- of which					
Hong Kong	<u>47,895,982</u>	<u>-</u>	<u>1,061,198</u>	<u>34,002,483</u>	<u>82,959,663</u>
Developing Asia and Pacific	251,397,657	-	6,409,958	61,769,880	319,577,495
- of which the Mainland	249,745,779	-	6,364,789	61,455,660	317,566,228

			<i>Non-bank private sector</i>		
	<i>Banks</i> HK\$'000	<i>Official sector</i> HK\$'000	<i>Non-bank financial institutions</i> HK\$'000	<i>Non- financial private sector</i> HK\$'000	<i>Total</i> HK\$'000
As at 31 December 2017					
Offshore centres	65,179,350	-	5,039,935	38,492,913	108,712,198
- of which					
Hong Kong	<u>65,175,236</u>	<u>-</u>	<u>4,970,804</u>	<u>37,314,894</u>	<u>107,460,934</u>
Developing Asia and Pacific	275,668,012	-	7,545,594	67,712,287	350,925,893
- of which the Mainland	274,727,005	-	7,545,594	67,353,086	349,625,685

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Notes to the financial information (continued)

14 Foreign currency exposures

Net foreign currency positions amounting to 10% or more of the net position in all foreign currencies are disclosed as follows:

As at 30 June 2018	USD HK\$'000 equiv	CNY HK\$'000 equiv
Spot assets	188,526,954	154,309,427
Spot liabilities	(218,707,594)	(155,021,718)
Forward purchases	142,517,887	71,678,295
Forward sales	(112,337,576)	(70,965,243)
Net (short)/long position	(329)	761
As at 31 December 2017	USD HK\$'000 equiv	CNY HK\$'000 equiv
Spot assets	261,549,372	147,097,690
Spot liabilities	(302,910,461)	(148,200,076)
Forward purchases	170,123,180	106,057,958
Forward sales	(128,798,619)	(106,813,431)
Net (short)/long position	(36,528)	(1,857,859)

There was no structural and option position as at 30 June 2018 and 31 December 2017.

15 Reserves

The components of reserves are as follows

	As at 30 June 2018 HK\$'000	As at 31 December 2017 HK\$'000
Investment revaluation reserve, net of deferred tax	(327,082)	(1,620,601)
Regulatory reserve	194,824	194,824
Retained earnings	2,905,222	1,579,268
Total reserves	2,772,964	153,491

The regulatory reserve is maintained to satisfy the provisions of the Hong Kong Banking Ordinance for prudential supervision purposes. Movements in the reserve are made directly through retained earnings and in consultation with the Hong Kong Monetary Authority. There was no movement of regulatory reserve during six months ended 30 June 2018 and year ended 31 December 2017.

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Notes to the financial information (continued)

16 Off-balance sheet exposures

(a) The contractual or notional amounts

	<i>As at</i> 30 June 2018 HK\$'000	<i>As at</i> 31 December 2017 HK\$'000
Contingent liabilities and commitments		
- Direct credit substitutes	29,605,078	27,472,319
- Trade-related contingencies	1,243,632	1,290,219
- Other commitments	30,397,933	41,020,985
	<u>61,246,643</u>	<u>69,783,523</u>

	<i>As at 30 June 2018</i>		<i>As at 31 December 2017</i>	
	<i>Trading</i> HK\$'000	<i>Hedging</i> HK\$'000	<i>Trading</i> HK\$'000	<i>Hedging</i> HK\$'000
Derivatives				
- Exchange rate contracts	259,701,633	-	319,158,463	179,970
- Interest rate contracts	903,455	10,406,698	1,814,019	10,112,361
	<u>260,605,088</u>	<u>10,406,698</u>	<u>320,972,482</u>	<u>10,292,331</u>

The contractual or notional amounts of these instruments indicate the volume of transactions outstanding as of the balance sheet date. They do not represent amounts at risk.

(b) Fair value of derivatives

As at 30 June 2018

	<i>Trading</i>		<i>Hedging</i>	
	<i>Positive fair value</i> HK\$'000	<i>Negative fair value</i> HK\$'000	<i>Positive fair value</i> HK\$'000	<i>Negative fair value</i> HK\$'000
- Exchange rate contracts	2,110,016	(2,141,956)	-	-
- Interest rate contracts	865	(471)	332,596	(865)
	<u>2,110,881</u>	<u>(2,142,427)</u>	<u>332,596</u>	<u>(865)</u>

As at 31 December 2017

	<i>Trading</i>		<i>Hedging</i>	
	<i>Positive fair value</i> HK\$'000	<i>Negative fair value</i> HK\$'000	<i>Positive fair value</i> HK\$'000	<i>Negative fair value</i> HK\$'000
- Exchange rate contracts	5,244,997	(5,324,868)	4,250	-
- Interest rate contracts	2,450	(2,450)	154,363	(25,451)
	<u>5,247,447</u>	<u>(5,327,318)</u>	<u>158,613</u>	<u>(25,451)</u>

There is no effect of bilateral netting agreement on the fair value of derivatives.

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Notes to the financial information (continued)

17 Liquidity

(a) Average liquidity coverage ratio ("LCR")

	2018	2017
First quarter	282.69%	120.60%
Second quarter	316.48%	120.95%

The average LCR for each quarter in 2018 and 2017 is based on the arithmetic mean of its LCR as at the end of each working day in the quarter as required by the Hong Kong Monetary Authority for its regulatory purposes.

The composition of the Branch's high quality liquid assets ("HQLA") as defined under Schedule 2 of the Banking (Liquidity) Rules is shown as below.

	<i>Weighted amount (Average value)</i>			
	<i>Quarter ended</i>	<i>Quarter ended</i>	<i>Quarter ended</i>	<i>Quarter ended</i>
	<i>30 June</i>	<i>31 March</i>	<i>30 June</i>	<i>31 March</i>
	<i>2018</i>	<i>2018</i>	<i>2017</i>	<i>2017</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Level 1 assets	135,810,599	139,037,926	112,107,708	112,430,863
Level 2A assets	-	-	3,862,606	-
Level 2B assets	-	-	137,919	118,591
Total weighted amount of HQLA	<u>135,810,599</u>	<u>139,037,926</u>	<u>116,108,233</u>	<u>112,549,454</u>

To comply with the Banking (Disclosure) Rules, the Liquidity Coverage Ratio Standard Disclosure Template is shown in the appendix.

(b) Net Stable Funding Ratio ("NSFR")

	2018
First quarter	143.83%
Second quarter	117.77%

Net stable funding ratio represents the ratio of the Bank's available stable funding ("ASF") to the Bank's required stable funding ("RSF").

ASF is sum of weighted amounts to the Bank's capital and on-balance sheet liabilities. RSF is sum of weighted amounts to the Bank's on-balance sheet assets and off-balance sheet obligations. The calculation of NSFR is based on completion instruction issued by HKMA

To comply with the Banking (Disclosure) Rules, the Net Stable Funding Ratio Standard Disclosure Template is shown in the appendix.

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Notes to the financial information (continued)

17 Liquidity

(c) Liquidity risk management

Liquidity risk management strategy

Liquidity risk is the risk that the Hong Kong Branch of China Construction Bank Corporation (the “Branch”) may not be able to fund the increase in assets or meet obligations as they fall due without incurring unacceptable losses. This may be caused by market disruption or liquidity squeeze whereby the Branch may only unwind specific exposures at significantly discounted values.

The Branch adopts a prudent risk appetite in setting liquidity risk tolerance. Risk appetite is set in the form of liquidity risk limits and metric framework.

The Branch sets its liquidity funding strategy according to the size and sophistication of its business, as well as the nature and complexity of its activities. It also ensures that the Branch complies with applicable statutory and prudential liquidity coverage ratios and requirements.

The objective of the Branch’s funding strategy is to strive for a balance between business growth opportunities and funding stability. The Branch seeks to maintain diversified and stable funding sources with an appropriate mix of liabilities including customer deposits, interbank borrowings, issuance of negotiable certificates of deposit and debt instruments.

The Branch’s liquidity cushion consists of cash, balances at central banks and high quality marketable securities issued or guaranteed by sovereigns, central banks, mainland policy banks and non-financial corporate debt securities. The definition of liquidity cushion being held by the Branch is consistent with that of High Quality Liquid Assets for purposes of determining the Branch’s Liquidity Coverage Ratio.

To manage the currency mismatch and avoid over-reliance on the currency swap market, the Branch sets limits on swapped fund ratios of major currency positions which are subject to daily monitoring. The swapped fund ratios limit the extent of one currency’s assets being funded by other currencies through the swap market.

The funding support provided by CCB Head Office is one of the key sources of liquidity backstop during times of liquidity stress.

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Notes to the financial information (continued)

17 Liquidity

(c) Liquidity risk management (continued)

Liquidity risk management responsibilities

The Executive Committee is ultimately responsible for having an effective liquidity risk management framework in place. Risk Management Committee (“RMC”) is set up to oversee the Branch’s overall asset quality as well as resolving all important risk-related or governance issues including those on liquidity risk. The RMC is responsible for providing guidance and overseeing the Branch’s liquidity risk management strategy; review or approve liquidity risk management policies and review the Branch’s liquidity risk position.

The Asset and Liability Committee (“ALCO”) is a functional committee formed under the Executive Committee to oversee the Branch’s assets and liabilities. Its main responsibility is to develop strategies on the asset and liability structure according to the annual business plan and financial budget assigned by Head Office.

Regular meetings of various committees are held to review the compliance status of liquidity measurements and the needs for changes in strategy and policy. Daily liquidity management is performed by the Treasury. Risk Management Division is responsible for the daily monitoring of liquidity limits and measurements, and submits regular reports of the Branch’s liquidity profile to ALCO and RMC. Internal Audit periodically performs independent reviews on the Branch’s liquidity management framework to ensure the validity and effectiveness of the Branch’s liquidity risk management functions.

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Notes to the financial information (continued)

17 Liquidity (continued)

(c) Liquidity risk management (continued)

Liquidity risk management monitoring framework

The Liquidity risk management monitoring framework is formed by the following measures

- Cash Flow Projection is to collect the next 30-day cash flow information arisen from loan and deposit business by various front line divisions. By consolidating this projection with the cash flow from Treasury's transactions, the Branch's overall cash flow can be projected and such information will take an important part in the Branch's liquidity funding management.
- Liquidity Stress Testing is regularly conducted to project the Branch's cash flows under stress scenarios and evaluate the sufficiency of liquidity cushion. The stress scenarios cover institution-specific crisis scenario, general market crisis scenario and combined crisis scenario. The cash flows under each stress scenario are determined by applying a standard set of prescribed stress assumptions to the Branch's cash flow projection. The potential cash flow arisen from off-balance sheet items is included. The stress test results are regularly reported to the RMC and ALCO. The definition of liquidity cushion being held by the Branch is consistent to the definition of High Quality Liquid Assets for purposes of determining the Branch's Liquidity Coverage Ratio. It is the Branch's policy that the liquidity cushion should be able to cover projected cash outflows under various prescribed stress scenarios.
- Maturity Profile Analysis analyzes the assets and liabilities by their remaining maturities into different time buckets. The potential cash flow arisen from off-balance sheet items is included. The gap amount for each time bucket represents the liquidity exposure after netting the assets and liabilities maturing in the same bucket.
- Swapped Fund Ratio is designed to measure the reliance of the Branch on FX Swap market to fund the currency mismatch. Branch sets limits on swapped fund ratios of major currency positions which are subject to daily monitoring.

Contingency funding plan ("CFP")

The Branch has a CFP which clearly defines a set of triggering events that will activate the plan as well as the mechanisms for identification, monitoring and reporting of such events. The mechanisms incorporate:

- A set of early warning indicators that helps to identify any emerging liquidity risks at an early stage;
- A list of potential funding sources, with due consideration of their reliability, priority and the expected available time during liquidity crisis; and
- Detailed action steps and properly assigned responsibilities to implement the CFP in case of need.

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B. Bank Information (consolidated basis)

I. Capital and capital adequacy

	<i>As at</i> 30 June 2018 RMB million	<i>As at</i> 31 December 2017 RMB million
Total capital ratio	15.64%	15.50%
Total equity	1,864,577	1,795,827

The capital adequacy ratio is calculated in accordance with the guidelines issued by the China Banking and Insurance Regulatory Commission. These guidelines are different from the document or Directive referred to in paragraph (a) Section 105 Chapter 155M of Banking (Disclosure) Rules.

II. Other financial information

	<i>As at</i> 30 June 2018 RMB million	<i>As at</i> 31 December 2017 RMB million
Total assets	22,805,182	22,124,383
Total liabilities	20,940,605	20,328,556
Total loans and advances to customers	13,068,482	12,574,473
Total customer deposits	16,965,489	16,363,754

	<i>For the six months ended</i> 30 June 2018 RMB million	<i>30 June 2017</i> RMB million
Profit before tax	181,420	172,093

China Construction Bank Corporation – Hong Kong Branch
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For the six months ended 30 June 2018

Statement of compliance

To the best of my knowledge, the information disclosed complies fully with disclosure provisions of the Banking (Disclosure) Rules.



Zhang Jun
Chief Executive
China Construction Bank Corporation, Hong Kong Branch

China Construction Bank Corporation - Hong Kong Branch
Financial Information Disclosure Statement
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Appendix: Liquidity Coverage Ratio Standard Disclosure Template

Number of data points used in calculating the average value of the Liquidity Coverage Ratio (LCR) and related components set out in this Template for the quarter ending on 31 March 2017, 30 June 2017, 31 March 2018 and 30 June 2018		Quarter ended 30 June 2018 (Number of data points: 60)		Quarter ended 31 March 2018 (Number of data points: 61)		Quarter ended 30 June 2017 (Number of data points: 59)		Quarter ended 31 March 2017 (Number of data points: 62)	
Basis of disclosure: Hong Kong office Currency: HK\$'000		UNWEIGHTED AMOUNT (Average Value)	WEIGHTED AMOUNT (Average Value)	UNWEIGHTED AMOUNT (Average Value)	WEIGHTED AMOUNT (Average Value)	UNWEIGHTED AMOUNT (Average Value)	WEIGHTED AMOUNT (Average Value)	UNWEIGHTED AMOUNT (Average Value)	WEIGHTED AMOUNT (Average Value)
A. HIGH QUALITY LIQUID ASSETS									
1	Total high quality liquid assets (HQLA)		135,810,599		139,037,926		116,108,233		112,549,454
B. CASH OUTFLOWS									
2	Retail deposits and small business funding, of which	-	-	-	-	-	-	-	-
3	Stable retail deposits and stable small business funding	-	-	-	-	-	-	-	-
4	Less stable retail deposits and less stable small business funding	-	-	-	-	-	-	-	-
4a	Retail term deposits and small business term funding	-	-	-	-	-	-	-	-
5	Unsecured wholesale funding (other than small business funding) and debt securities and prescribed instruments issued by the institution, of which:	122,024,055	77,178,861	132,371,746	81,703,512	164,275,588	134,171,077	149,378,165	122,623,547
6	Operational deposits	-	-	-	-	-	-	-	-
7	Unsecured wholesale funding (other than small business funding) not covered in Row 7	110,594,652	65,749,458	120,686,627	70,018,393	149,512,657	119,408,146	138,672,356	111,917,738
8	Debt securities and prescribed instruments issued by the institution and redeemable within the LCR period	11,429,403	11,429,403	11,685,119	11,685,119	14,762,931	14,762,931	10,705,809	10,705,809
9	Secured funding transactions (including securities swap transactions)								
10	Additional requirements, of which	35,688,934	6,793,355	37,308,522	7,274,632	30,143,768	4,704,399	23,321,083	3,405,377
11	Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements	727,526	727,526	1,291,622	1,291,622	489,045	489,045	423,703	423,703
12	Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions	-	-	-	-	-	-	-	-
13	Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)	34,961,408	6,065,829	36,016,900	5,983,010	29,654,723	4,215,354	22,897,390	2,981,674
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	1,688,731	1,688,731	1,588,218	1,588,218	4,619,134	4,619,134	2,778,099	2,778,099
15	Other contingent funding obligations (whether contractual or non-contractual)	116,166,129	3,016,546	126,893,099	3,047,847	103,884,021	3,000,112	93,148,341	3,205,573
16	TOTAL CASH OUTFLOWS		88,657,493		93,614,209		146,494,722		132,012,596
C. CASH INFLOWS									
17	Secured lending transactions (including securities swap transactions)	-	-	404,230	-	2,681,550	-	98,404	-
18	Secured and unsecured loans (other than secured lending transactions covered in Row 18) and operational deposits placed at other financial institutions	50,265,284	40,243,772	52,073,845	38,324,438	60,121,238	37,467,294	59,707,884	27,599,278
19	Other cash inflows	14,627,703	4,698,696	18,550,492	5,271,185	13,052,519	13,027,493	11,178,127	11,089,523
20	TOTAL CASH INFLOWS	64,892,987	44,942,468	71,028,567	43,595,623	75,855,307	50,494,787	70,984,415	38,688,801
D. LIQUIDITY COVERAGE RATIO									
21	TOTAL HQLA		135,810,599		139,037,926		116,108,233		112,549,454
22	TOTAL NET CASH OUTFLOWS		43,715,025		50,018,586		95,999,935		93,323,795
23	LCR (%)		316.48%		282.69%		120.60%		120.60%

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Appendix: Net Stable Funding Ratio Standard Disclosure Template

		For the quarter ended 30 June 2018				
		(a)	(b)	(c)	(d)	(e)
Basis of disclosure: Hong Kong office (Currency: HKD'000)		Unweighted value by residual maturity				Weighted amount
		No specified term to maturity	<6 months or repayable on demand	6 months to < 12 months	12 months or more	
A. Available stable funding ("ASF") item						
1	Capital:	-	-	-	-	-
2	Regulatory capital	-	-	-	-	-
2a	Minority interests not covered by row 2	-	-	-	-	-
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and small business funding:	-	-	-	-	-
5	Stable deposits		-	-	-	-
6	Less stable deposits		-	-	-	-
7	Wholesale funding:	-	244,642,338	76,250,694	62,361,079	155,670,324
8	Operational deposits		-	-	-	-
9	Other wholesale funding	-	244,642,338	76,250,694	62,361,079	155,670,324
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	-	38,536,671	16,909,416	57,525,785	65,980,493
12	Net derivative liabilities	-				
13	All other funding and liabilities not included in the above categories	-	38,536,671	16,909,416	57,525,785	65,980,493
14	Total ASF					221,650,817
B. Required stable funding ("RSF") item						
15	Total HQLA for NSFR purposes				132,631,663	6,428,364
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities:	-	216,242,265	28,320,569	118,922,512	177,526,401
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	-	153,222,482	16,678,357	51,924,786	83,247,337
20	Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:	-	63,008,188	11,642,212	64,212,739	91,906,028
21	With a risk-weight of less than or equal to 35% under the STC approach	-	-	-	-	-
22	Performing residential mortgages, of which:	-	-	-	-	-
23	With a risk-weight of less than or equal to 35% under the STC approach	-	-	-	-	-
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	11,595	-	2,784,987	2,373,036
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	2,682,082	4,291,709	113,182	1,622,218	2,714,182
27	Physical traded commodities, including gold	-				-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-				-
29	Net derivative assets	286,316				286,316
30	Total derivative liabilities before deduction of variation margin posted	2,223,204				N/A
31	All other assets not included in the above categories	172,562	4,291,709	113,182	1,622,218	2,427,866
32	Off-balance sheet items				138,552,344	1,536,780
33	Total RSF					188,205,727
34	Net Stable Funding Ratio (%)					117.77%

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Financial Information Disclosure Statement
For the six months ended 30 June 2018
Appendix: Net Stable Funding Ratio Standard Disclosure Template

		For the quarter ended 31 March 2018				
		(a)	(b)	(c)	(d)	(e)
Basis of disclosure: Hong Kong office (Currency: HKD'000)		Unweighted value by residual maturity				Weighted amount
		No specified term to maturity	<6 months or repayable on demand	6 months to < 12 months	12 months or more	
A. Available stable funding ("ASF") item						
1	Capital:	-	-	-	-	-
2	Regulatory capital	-	-	-	-	-
2a	Minority interests not covered by row 2	-	-	-	-	-
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and small business funding:	-	-	-	-	-
5	Stable deposits		-	-	-	-
6	Less stable deposits		-	-	-	-
7	Wholesale funding:	-	198,508,552	52,484,892	112,837,347	210,896,737
8	Operational deposits		-	-	-	-
9	Other wholesale funding	-	198,508,552	52,484,892	112,837,347	210,896,737
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	-	55,189,868	15,322,539	39,165,420	46,826,690
12	Net derivative liabilities	-				
13	All other funding and liabilities not included in the above categories	-	55,189,868	15,322,539	39,165,420	46,826,690
14	Total ASF					257,723,427
B. Required stable funding ("RSF") item						
15	Total HQLA for NSFR purposes				140,446,091	6,654,144
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities:	-	179,997,455	37,784,510	110,705,158	168,041,290
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	-	113,225,835	22,158,120	31,199,771	59,262,706
20	Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:	-	59,641,170	15,626,390	76,753,159	102,873,965
21	With a risk-weight of less than or equal to 35% under the STC approach	-	-	-	-	-
22	Performing residential mortgages, of which:	-	-	-	-	-
23	With a risk-weight of less than or equal to 35% under the STC approach	-	-	-	-	-
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	7,130,450	-	2,752,228	5,904,619
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	6,420,258	3,652,451	2,365	2,598	2,569,638
27	Physical traded commodities, including gold	-				-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-				-
29	Net derivative assets	305,049				305,049
30	Total derivative liabilities before deduction of variation margin posted	5,516,185				N/A
31	All other assets not included in the above categories	599,024	3,652,451	2,365	2,598	2,264,589
32	Off-balance sheet items				162,566,244	1,917,623
33	Total RSF					179,182,695
34	Net Stable Funding Ratio (%)					143.83%