

China Construction Bank Corporation – Hong Kong Branch
Financial Information Disclosure Statement
For the year ended 31 December 2016

Section A: Hong Kong Branch Information

Income Statement

	<i>Note</i>	<i>2016</i> HK\$'000	<i>2015</i> HK\$'000
Interest income		8,504,184	8,110,949
Interest expense		(6,648,016)	(6,922,201)
Net interest income		1,856,168	1,188,748
Net fee and commission income	1	348,224	179,228
Net trading gains	2	375,803	247,826
Other operating income	3	298,963	85,110
Operating income		2,879,158	1,700,912
Operating expenses	4	(473,788)	(367,534)
		2,405,370	1,333,378
Impairment allowances (charged)/released on loans and advances		(727,892)	12,559
Impairment allowances charged on held-to-maturity securities		-	497
Profit/(loss) on disposal of fixed assets		30	(74)
Profit before tax		1,677,508	1,346,360
Taxation charge	5	(281,640)	(219,002)
Net profit		1,395,868	1,127,358

China Construction Bank Corporation – Hong Kong Branch
Financial Information Disclosure Statement
For the year ended 31 December 2016

Statement of Financial Position

	Note	<i>As at 31 December 2016 HK\$'000</i>	<i>As at 30 June 2016 HK\$'000</i>
Assets			
Cash and balances with banks		71,219,652	94,870,690
Placements with banks with residual contractual maturity more than one month but not more than twelve months		12,966,360	11,367,430
Loans to banks		166,972	-
Amounts due from overseas offices		108,095,044	74,619,112
Trade bills		12,243,562	12,183,255
Certificates of deposit held		86,964,535	48,975,303
Loans and advances to customers and other accounts	6	242,233,075	226,677,277
Available-for-sale and held-to-maturity securities	11	42,710,404	21,168,961
Unlisted equity investment		1	1
Fixed assets		19	36
Other assets		313,792	132,177
Total assets		576,913,416	489,994,242
Equity and liabilities			
Deposits from banks		166,670,491	175,287,856
Deposits from customers	12	136,922,703	116,323,740
Amounts due to overseas offices		173,058,980	119,970,155
Certificates of deposit issued		72,600,572	68,388,854
Other liabilities		26,622,337	8,906,543
Total liabilities		575,875,083	488,877,148
Reserves	15	1,038,333	1,117,094
Total equity and liabilities		576,913,416	489,994,242

China Construction Bank Corporation – Hong Kong Branch

Financial Information Disclosure Statement

For the year ended 31 December 2016

Notes to the financial information

1	<i>Net fee and commission income</i>	<i>For the year ended 31 December</i>	
		<i>2016</i>	<i>2015</i>
		HK\$'000	HK\$'000
	Fee and commission income	357,249	238,806
	Fee and commission expense	(9,025)	(59,578)
		<u>348,224</u>	<u>179,228</u>
2	<i>Net trading gains</i>	<i>For the year ended 31 December</i>	
		<i>2016</i>	<i>2015</i>
		HK\$'000	HK\$'000
	Gains less losses arising from trading in foreign currencies	356,015	257,234
	Gains less losses from other trading activities	19,788	(9,408)
		<u>375,803</u>	<u>247,826</u>
	Net trading gains included a foreign exchange revaluation gain of HKD 3 million (2015: losses of HKD 67 million) on RMB foreign exchange contracts entered into for hedging the position of the CCB Group.		
3	<i>Other operating income</i>	<i>For the year ended 31 December</i>	
		<i>2016</i>	<i>2015</i>
		HK\$'000	HK\$'000
	Net gains on disposal of available-for-sale financial assets	278,348	60,392
	Dividend income from unlisted investments	-	16,790
	Others	20,615	7,928
		<u>298,963</u>	<u>85,110</u>
4	<i>Operating expenses</i>	<i>For the year ended 31 December</i>	
		<i>2016</i>	<i>2015</i>
		HK\$'000	HK\$'000
	Premises expenses	11,365	7,107
	Management fee paid	444,746	357,360
	Others	17,677	3,067
		<u>473,788</u>	<u>367,534</u>
5	<i>Taxation charge</i>	<i>For the year ended 31 December</i>	
		<i>2016</i>	<i>2015</i>
		HK\$'000	HK\$'000
	Current tax – Hong Kong Profits Tax		
	- Provision for the year	391,598	220,864
	- Over-provision in respect of prior years	-	(2,775)
	Current tax – Overseas		
	- Withholding tax charged/(released) in the Mainland	10,169	(1,179)
	Deferred tax		
	- Origination and reversal of temporary differences	(120,127)	2,092
		<u>281,640</u>	<u>219,002</u>

China Construction Bank Corporation – Hong Kong Branch

Financial Information Disclosure Statement

For the year ended 31 December 2016

Notes to the financial information (continued)

<i>6 Loans and advances to customers and other accounts</i>	<i>As at 31 December 2016 HK\$'000</i>	<i>As at 30 June 2016 HK\$'000</i>
Loans and advances to customers	220,154,611	201,505,395
Less: Impairment allowances		
- Collectively assessed	(1,224,409)	(912,433)
	218,930,202	200,592,962
Other accounts		
- Accrued interest receivables	2,987,854	2,192,308
- Others	20,315,019	23,892,007
	23,302,873	26,084,315
	242,233,075	226,677,277

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 31 December 2016</i>		<i>As at 30 June 2016</i>	
	<i>HK\$'000</i>	<i>% covered by collateral</i>	<i>HK\$'000</i>	<i>% covered by collateral</i>
<i>Industry categories:</i>				
Industrial, commercial and financial				
- Property development	6,892,948	3.72%	8,442,999	0.00%
- Property investment	7,483,194	72.34%	7,251,122	74.13%
- Financial concerns	13,795,174	82.46%	13,414,938	68.13%
- Wholesale and retail trade	8,014,453	0.00%	9,993,962	2.76%
- Manufacturing	763,740	21.84%	2,126,945	51.34%
- Transport and transport equipment	5,021,024	14.08%	2,730,449	2.75%
- Information technology	4,218,719	0.00%	4,397,930	0.00%
- Others	8,860,419	41.28%	2,587,458	0.00%
Loans and advances for use in				
Hong Kong	55,049,671	39.20%	50,945,803	31.32%
Trade Finance	13,651,099	0.03%	20,431,378	0.00%
Loans and advances for use outside				
Hong Kong	151,453,841	31.97%	130,128,214	42.24%
Total	220,154,611	31.80%	201,505,395	35.19%

China Construction Bank Corporation – Hong Kong Branch

Financial Information Disclosure Statement

For the year ended 31 December 2016

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>Impaired loans and advances to customers HK\$'000</i>	<i>Overdue loans and advances to customers HK\$'000</i>	<i>Individual impairment allowances HK\$'000</i>	<i>Collective impairment allowances HK\$'000</i>
As at 31 December 2016					
Hong Kong	160,423,144	-	-	-	992,954
The Mainland	47,457,009	-	-	-	94,456
United Arab Emirates	4,276,199	-	-	-	47,939
Others	7,998,259	-	-	-	89,060
Total	220,154,611	-	-	-	1,224,409
As at 30 June 2016					
Hong Kong	143,690,590	-	-	-	726,432
The Mainland	44,928,856	-	-	-	51,933
United Arab Emirates	4,380,384	-	-	-	47,137
Others	8,505,565	-	-	-	86,931
Total	201,505,395	-	-	-	912,433

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

8 Overdue and rescheduled assets

(a) Overdue loans and advances

There were no overdue loans and advances as at 31 December 2016 and 30 June 2016.

(b) Rescheduled loans and advances

There were no rescheduled loans and advances as at 31 December 2016 and 30 June 2016.

(c) Other overdue assets

	<i>As at 31 December 2016 HK\$'000</i>	<i>As at 30 June 2016 HK\$'000</i>
Over one year	<u>94,648</u>	<u>94,705</u>

There were no other assets overdue for over three months but one year or less as at 31 December 2016 and 30 June 2016.

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 31 December 2016 and 30 June 2016.

China Construction Bank Corporation – Hong Kong Branch
Financial Information Disclosure Statement
For the year ended 31 December 2016

Notes to the financial information (continued)

10 Mainland activities exposures

(i) As at 31 December 2016

<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)	106,405,921	22,759,575	129,165,496
(b) Local governments, local government-owned entities and their subsidiaries and JVs	11,008,733	2,095,463	13,104,196
(c) PRC nationals residing in the Mainland or other entities incorporated in the Mainland and their subsidiaries and JVs	60,843,172	4,113,391	64,956,563
(d) Other entities of central government not reported in item (a) above	2,636,209	516,947	3,153,156
(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	8,577,117	436,228	9,013,345
(g) Other counterparties where the exposure is considered by the reporting institution to be non-bank Mainland exposures	662,905	-	662,905
Total	<u>190,134,057</u>	<u>29,921,604</u>	<u>220,055,661</u>
Total assets after provision	<u>576,913,416</u>		
On-balance sheet exposures as percentage of total assets	<u>32.96%</u>		

China Construction Bank Corporation – Hong Kong Branch
Financial Information Disclosure Statement
For the year ended 31 December 2016

Notes to the financial information (continued)

10 Mainland activities exposures (continued)

(ii) As at 30 June 2016

<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)	87,565,627	21,301,224	108,866,851
(b) Local governments, local government-owned entities and their subsidiaries and JVs	8,914,010	2,161,897	11,075,907
(c) PRC nationals residing in the Mainland or other entities incorporated in the Mainland and their subsidiaries and JVs	54,535,044	14,494,432	69,029,476
(d) Other entities of central government not reported in item (a) above	2,624,379	293,630	2,918,009
(e) Other entities of local governments not reported in item (b) above	391,462	-	391,462
(f) PRC nationals residing outside the Mainland or entities incorporated outside the Mainland where the credit is granted for use in the Mainland	11,105,215	1,344,694	12,449,909
(g) Other counterparties where the exposure is considered by the reporting institution to be non-bank Mainland exposures	1,602,346	-	1,602,346
Total	166,738,083	39,595,877	206,333,960
Total assets after provision	489,994,242		
On-balance sheet exposures as percentage of total assets	34.03%		

China Construction Bank Corporation – Hong Kong Branch
Financial Information Disclosure Statement
For the year ended 31 December 2016

Notes to the financial information (continued)

11	<i>Available-for-sale and held-to-maturity securities</i>	<i>As at</i> 31 December 2016 HK\$'000	<i>As at</i> 30 June 2016 HK\$'000
	Available-for-sale securities	42,710,404	21,168,961
	Held-to-maturity securities	94,648	94,705
		<u>42,805,052</u>	<u>21,263,666</u>
	Less: Impairment allowances		
	- Individually assessed	(94,648)	(94,705)
	Total	<u>42,710,404</u>	<u>21,168,961</u>
12	<i>Deposits from customers</i>	<i>As at</i> 31 December 2016 HK\$'000	<i>As at</i> 30 June 2016 HK\$'000
	Demand deposits and current accounts	896,904	692,654
	Savings deposits	7,869,557	9,449,809
	Time, call and notice deposits	128,156,242	106,181,277
		<u>136,922,703</u>	<u>116,323,740</u>

China Construction Bank Corporation – Hong Kong Branch

Financial Information Disclosure Statement

For the year ended 31 December 2016

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.

	<i>Banks</i> HK\$'000	<i>Official sector</i> HK\$'000	<i>Non-bank private sector</i>		<i>Total</i> HK\$'000
			<i>Non-bank financial institutions</i> HK\$'000	<i>Non- financial private sector</i> HK\$'000	
As at 31 December 2016					
Offshore centres	58,607,824	-	7,300,497	54,466,993	120,375,314
- of which					
Hong Kong	<u>58,603,751</u>	<u>-</u>	<u>7,216,752</u>	<u>52,427,192</u>	<u>118,247,695</u>
Developing Asia and Pacific	263,649,189	-	31,711,153	75,944,442	371,304,784
- of which the Mainland	<u>263,649,189</u>	<u>-</u>	<u>31,711,153</u>	<u>75,631,339</u>	<u>370,991,681</u>
	<i>Banks</i> HK\$'000	<i>Official sector</i> HK\$'000	<i>Non-bank private sector</i>		<i>Total</i> HK\$'000
			<i>Non-bank financial institutions</i> HK\$'000	<i>Non- financial private sector</i> HK\$'000	
As at 30 June 2016					
Offshore centres	79,328,509	-	6,650,049	42,774,271	128,752,829
- of which					
Hong Kong	<u>79,323,620</u>	<u>-</u>	<u>6,559,045</u>	<u>40,856,245</u>	<u>126,738,910</u>
Developing Asia and Pacific	150,303,595	14,061,286	32,922,760	73,898,029	271,185,670
- of which the Mainland	<u>150,303,595</u>	<u>14,061,286</u>	<u>32,922,760</u>	<u>73,563,160</u>	<u>270,850,801</u>

China Construction Bank Corporation – Hong Kong Branch
Financial Information Disclosure Statement
For the year ended 31 December 2016

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 31 December 2016	<i>USD</i> HK\$'000 equiv	<i>CNY</i> HK\$'000 equiv
Spot assets	263,663,088	159,817,904
Spot liabilities	(268,039,373)	(152,492,561)
Forward purchases	241,116,124	207,098,795
Forward sales	(238,277,343)	(213,491,428)
Net (short) / long position	<u>(1,537,504)</u>	<u>932,710</u>
As at 30 June 2016	<i>USD</i> HK\$'000 equiv	<i>CNY</i> HK\$'000 equiv
Spot assets	219,792,870	122,683,349
Spot liabilities	(213,545,683)	(125,068,294)
Forward purchases	182,594,177	168,238,156
Forward sales	(191,919,862)	(162,592,247)
Net (short) / long position	<u>(3,078,498)</u>	<u>3,260,964</u>

There was no structural and option position as at 31 December 2016 and 30 June 2016.

15 Reserves

(a) The components of reserves are as follows

	<i>As at</i> <i>31 December 2016</i> HK\$'000	<i>As at</i> <i>30 June 2016</i> HK\$'000
Available-for-sale securities revaluation reserve, net of deferred tax	(552,359)	101,663
Regulatory reserve	194,824	194,824
Retained earnings	1,395,868	820,607
Total reserves	<u>1,038,333</u>	<u>1,117,094</u>

(b) Regulatory reserve

	<i>For the year</i> <i>ended</i> <i>31 December 2016</i> HK\$'000	<i>For the period</i> <i>ended</i> <i>30 June 2016</i> HK\$'000
As at 1 January and 31 December / 30 June	<u>194,824</u>	<u>194,824</u>

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.

China Construction Bank Corporation – Hong Kong Branch

Financial Information Disclosure Statement

For the year ended 31 December 2016

Notes to the financial information (continued)

16 Off-balance sheet exposures

(a) The contractual or notional amounts

	<i>As at 31 December 2016 HK\$'000</i>	<i>As at 30 June 2016 HK\$'000</i>
Contingent liabilities and commitments		
- Direct credit substitutes	39,142,956	38,135,467
- Trade-related contingencies	1,635,087	639,820
- Other commitments	21,062,295	27,698,563
	61,840,338	66,473,850

	<i>As at 31 December 2016</i>		<i>As at 30 June 2016</i>	
	<i>Trading HK\$'000</i>	<i>Hedging HK\$'000</i>	<i>Trading HK\$'000</i>	<i>Hedging HK\$'000</i>
Derivatives				
- Exchange rate contracts	480,695,828	166,796	374,935,595	174,703
- Interest rate contracts	1,731,258	11,518,338	14,371,169	5,532,472
	482,427,086	11,685,134	389,306,764	5,707,175

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

	<i>Trading</i>		<i>Hedging</i>	
<i>As at 31 December 2016</i>	<i>Positive fair value HK\$'000</i>	<i>Negative fair value HK\$'000</i>	<i>Positive fair value HK\$'000</i>	<i>Negative fair value HK\$'000</i>
- Exchange rate contracts	9,194,789	(9,350,487)	-	(22,874)
- Interest rate contracts	1,536	(1,536)	260,287	(13,615)
	9,196,325	(9,352,023)	260,287	(36,489)
<i>As at 30 June 2016</i>	<i>Positive fair value HK\$'000</i>	<i>Negative fair value HK\$'000</i>	<i>Positive fair value HK\$'000</i>	<i>Negative fair value HK\$'000</i>
- Exchange rate contracts	2,922,299	(2,686,476)	-	(8,001)
- Interest rate contracts	20,141	(20,141)	76,033	(34,449)
	2,942,440	(2,706,617)	76,033	(42,450)

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

China Construction Bank Corporation – Hong Kong Branch

Financial Information Disclosure Statement

For the year ended 31 December 2016

Notes to the financial information (continued)

17 Liquidity

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

	2016	2015
First quarter	120.34%	168.16%
Second quarter	136.23%	98.90%
Third quarter	142.27%	118.73%
Fourth quarter	140.39%	124.84%

The average LCR for each quarter is based on the arithmetic mean of its LCR as at each month-end 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>31 December</i> <i>2016</i> <i>HK\$'000</i>	<i>Quarter ended</i> <i>30 September</i> <i>2016</i> <i>HK\$'000</i>	<i>Quarter ended</i> <i>30 June</i> <i>2016</i> <i>HK\$'000</i>	<i>Quarter ended</i> <i>31 March</i> <i>2016</i> <i>HK\$'000</i>
Level 1 assets	106,524,884	75,608,017	57,719,338	33,910,108
Level 2B assets	120,334	121,903	122,484	508,631
Total weighted amount of HQLA	<u>106,645,218</u>	<u>75,729,920</u>	<u>57,841,822</u>	<u>34,418,739</u>

	<i>Weighted amount (Average value)</i>			
	<i>Quarter ended</i> <i>31 December</i> <i>2015</i> <i>HK\$'000</i>	<i>Quarter ended</i> <i>30 September</i> <i>2015</i> <i>HK\$'000</i>	<i>Quarter ended</i> <i>30 June</i> <i>2015</i> <i>HK\$'000</i>	<i>Quarter ended</i> <i>31 March</i> <i>2015</i> <i>HK\$'000</i>
Level 1 assets	37,802,015	33,472,590	28,027,497	28,919,074
Level 2B assets	527,220	554,470	556,310	676,962
Total weighted amount of HQLA	<u>38,329,235</u>	<u>34,027,060</u>	<u>28,583,807</u>	<u>29,596,036</u>

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

China Construction Bank Corporation – Hong Kong Branch

Financial Information Disclosure Statement

For the year ended 31 December 2016

Notes to the financial information (continued)

17 Liquidity (continued)

(b) 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 limit and metric framework.

The Branch sets out its liquidity funding strategy according to the size and sophistication of its business, as well as the nature and complexity of its activities.

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.

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 liquidity backstop during times of liquidity stress.

Liquidity risk management responsibilities

The Management 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 and development; 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 Management Committee to oversee the Bank’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 budgets assigned by Head Office.

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

China Construction Bank Corporation – Hong Kong Branch

Financial Information Disclosure Statement

For the year ended 31 December 2016

Notes to the financial information (continued)

18 Liquidity (continued)

(b) 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 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 gap amount for each time bucket represents the liquidity exposure after netting the assets and liabilities maturing in the same bucket. The Branch daily monitors gap limits for each time 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, is stated.
- Detailed action steps and properly assigned responsibilities to implement the CFP in case of need.

China Construction Bank Corporation – Hong Kong Branch
Financial Information Disclosure Statement
For the year ended 31 December 2016

B. Bank Information (consolidated basis)

I. Capital and capital adequacy

	<i>As at</i> <i>31 December 2016</i> RMB million	<i>As at</i> <i>30 June 2016</i> RMB million
Total capital ratio	14.94%	15.09%
Total equity	1,589,654	1,505,960

The capital adequacy ratio is calculated in accordance with the guidelines issued by the China Banking 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> <i>31 December 2016</i> RMB million	<i>As at</i> <i>30 June 2016</i> RMB million
Total assets	20,963,705	19,760,148
Total liabilities	19,374,051	18,254,188
Total loans and advances to customers	11,488,355	10,861,990
Total customer deposits	15,402,915	14,675,541
	<i>For the year ended 31 December</i>	
	<i>2016</i> RMB million	<i>2015</i> RMB million
Profit before tax	295,210	298,497

China Construction Bank Corporation – Hong Kong Branch
Financial Information Disclosure Statement
For the year ended 31 December 2016

Statement of compliance

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



Jiang Xianzhou
Chief Executive
China Construction Bank Corporation, Hong Kong Branch

China Construction Bank Corporation - Hong Kong Branch
 Financial Information Disclosure Statement
 For the year ended 31 December 2016
 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 2016, 30 June 2016, 30 September 2016 and 31 December 2016 : (3)	Quarter ended 31 December 2016		Quarter ended 30 September 2016		Quarter ended 30 June 2016		Quarter ended 31 March 2016	
	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 (HQLA)								
1	Total high quality liquid assets (HQLA)	106,645,216	76,729,920	57,841,922				34,418,739
B. CASH INFLOWS								
2	Retail deposits and small business funding, of which	-	88	9	317	32	369	36
3	Stable retail deposits and stable small business funding	-	-	-	-	-	-	-
4	Less stable retail deposits and less stable small business funding	-	-	-	-	-	-	-
5	Retail term deposits and small business term funding	-	88	9	317	32	359	36
6	Unsecured wholesale funding (other than small business funding) and debt securities and prescribed instruments issued by the institution, of which:	160,716,019	134,551,969	137,926,261	178,449,350	154,721,735	137,542,390	101,942,737
7	Operational deposits	-	-	-	-	-	-	-
8	Unsecured wholesale funding (other than small business funding) not covered in Row 7	149,999,885	123,815,935	143,961,444	167,368,887	145,841,272	109,034,952	83,435,289
9	Debt securities and prescribed instruments issued by the institution and redeemable within the LCR period	10,716,134	10,719,134	14,131,863	9,080,463	8,090,463	18,507,438	18,507,438
10	Secured funding transactions (including securities swap transactions)							
11	Additional requirements, of which	19,775,782	3,123,669	3,488,787	20,905,978	3,085,612	16,396,609	2,841,144
12	Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements	717,701	717,701	597,692	439,905	439,905	434,799	434,799
13	Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions	-	-	-	-	-	-	-
14	Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)	18,058,081	2,405,608	23,010,949	20,467,073	2,646,707	15,981,810	2,406,345
15	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	277,763	277,763	295,600	859,717	858,717	5,415,127	5,415,127
16	Other contingent funding obligations (whether contractual or non-contractual)	99,840,493	3,945,646	80,318,142	47,857,548	4,235,887	45,805,308	4,203,178
17	TOTAL CASH INFLOWS	141,878,889	141,878,889	145,817,610	162,901,963	162,901,963	114,402,222	114,402,222
C. CASH INFLOWS								
18	Secured lending transactions (including securities swap transactions)	-	-	-	-	-	-	-
19	Secured and unsecured loans (other than secured lending transactions covered in Row 18) and operational deposits placed at other financial institutions	85,958,852	54,100,376	72,259,087	134,446,199	107,297,711	128,009,341	101,545,218
20	Other cash inflows	6,632,788	11,819,669	8,685,501	8,213,841	13,166,512	3,096,857	17,684,868
21	TOTAL CASH INFLOWS	92,591,640	65,917,247	111,744,778	142,659,040	120,464,223	129,096,198	119,209,907
D. LIQUIDITY COVERAGE RATIO								
22	TOTAL HQLA	106,645,216	76,729,920	57,841,922				34,418,739
23	TOTAL NET CASH INFLOWS	76,961,642	53,228,294	42,457,740				28,600,556
24	LCR (%)	140.99%	142.27%	136.23%				120.34%