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S&P Global

China Ratings

Structured Finance Rating Report

Jianyuan 2021-4 Residential Mortgage-Backed Securities

February 5, 2021

Preliminary Rating:

Class A-1	$AAA_{spc(sf)}$
Class A-2	$AAA_{spc(sf)}$
Class A-3	$AAA_{spc(sf)}$

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* The preliminary rating(s) presented in this report is effective until and unless we make any further updates.

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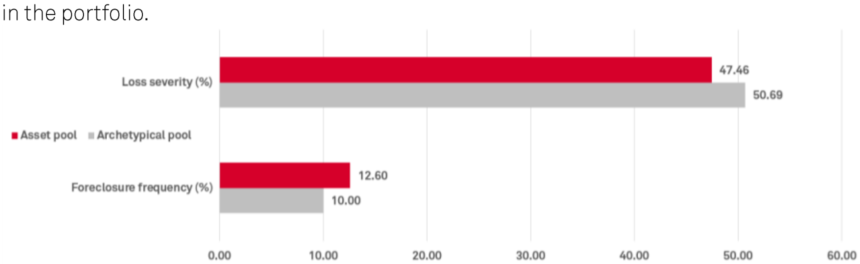
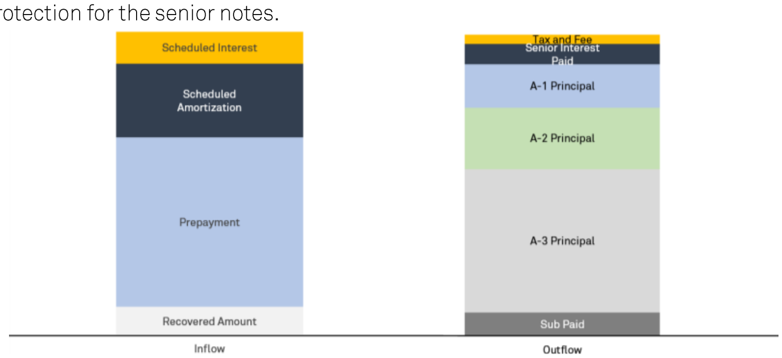
Tear Sheet

Structure	Preliminary Rating	Amount (CNY Million)	Percentage (%)	Coupon Rate Type	Repayment Method	S&P Global (China) Ratings CE Buffer (%)
A-1	$AAA_{spc(sf)}$	1,400.00	15.60	Floating	Scheduled amortization	>5
A-2	$AAA_{spc(sf)}$	2,000.00	22.29	Floating	Scheduled amortization	>5
A-3	$AAA_{spc(sf)}$	4,658.00	51.91	Floating	Pass-through	>5
Subordinated	NR	915.75	10.20			
Total Liabilities (Assets)		**8,973.75**	**100.00**			

Key Credit Enhancement Factors and Analysis: We have used the S&P Ratings China -- Structured Finance Rating Methodology to analyze the key credit enhancement (CE) components for Jianyuan 2021-4. At $AAA_{spc(sf)}$ rating stress level, the estimated weighted average (WA) foreclosure frequency for the portfolio was penalized by adjustment for geographic concentration limits, which resulted in a higher rate of 12.60% compared with the archetypical pool benchmark foreclosure frequency of 10.00%. However, the WA loss severity was 47.46%, compared with the archetypical pool benchmark loss severity at 50.69%. The lower loss severity was mainly driven by the lower loan to value ratio. Both foreclosure frequency and loss severity have been impacted by the forward delivery loans in the portfolio.

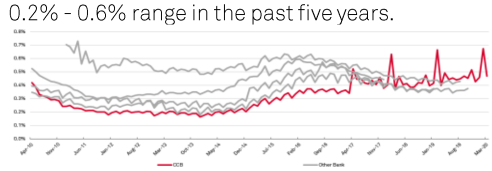


Stress Scenarios and Cash Flow Analysis: The chart below illustrates the cash flow distribution under our most stressed scenario derived from a combination of default timing assumptions, prepayment rate assumptions, interest rate assumptions, different triggers and payment structures, stressed tax, fees and expenses assumptions. We believe that even under our most stressed scenario, there should be additional mortgage loan assets still available after the principal and interest of the senior notes have been fully repaid. The excess credit enhancement provided by these assets is an additional "CE buffer", which represents our view on the extra cushion that we believe will be available as additional protection for the senior notes.



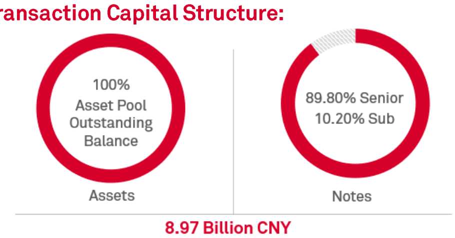
Originator Overview: CCB is the second largest commercial bank in China by total assets, which stood at CNY28.30 trillion at the end of September 2020. It is also a global systemically important bank. As of the end of 2019, CCB's residential mortgage loan book reached CNY5.3 trillion, accounting for around 35% of the bank's gross loan book. With market share of around 18%, CCB is the biggest residential mortgage loan originating bank in China.

Dynamic 90+ Delinquent Rate Comparison: We analyzed five mega banks' public dynamic data. CCB's delinquencies represented by 90+ days past due bucket have been low on a dynamic basis, averaging 0.3% since 2010, and have stabilized to a 0.2% - 0.6% range in the past five years.



Dynamic Pool CPR: Based on public dynamic data, CCB's historical prepayment rate ranged from 5%-10% between May 2010 and March 2020.

Transaction Capital Structure:



Transaction Key Information:

Originator/Servicer	CCB
Trustee	CCB Trust
Account Bank	ICBC ZJ
Cut-off Date	10 January 2021
Expected Closing Date	10 March 2021
Legal Maturity Date	26 July 2047

Transaction Comparison		**Jianyuan 2021-4**	**Jianyuan 2021-1**	**Gongyuanleju 2020-6**	**Youyuanjiahe 2020-1**	**Zhongyingwanjia 2021-1**	**NongyingHuiyu 2021-1**
Originator		CCB	CCB	ICBC	PSBC	BOC	ABC
Closing Date		10-Mar-21(expected)	21-Jan-21	22-Dec-20	22-Apr-20	20-Jan-21	12-Jan-21
Total Number of Loans		29,679	16,912	43,602	25,916	25,707	92,358
Total OPB (CNY bn)		8.97	5.14	12.50	5.02	9.66	20.02
Average OPB per Loan (CNY)		302,360	303,996	286,597	193,654	375,868	216,708
WA Seasoning (yr)		3.92	4.82	4.24	3.76	4.61	4.99
WA Remaining Tenor (yr)		12.98	13.20	11.50	11.30	12.25	10.14
WA Asset Yield (%)		5.12	4.93	5.03	4.66	4.77	4.94
WA OLTV (%)		61.93	64.33	61.79	60.95	62.38	60.05
WA CLTV (%)		50.08	49.79	47.46	48.04	46.87	43.24
Forward Delivery (%)		29.03	37.03	33.39	15.45	81.03	18.96
Transaction Structures	Senior Notes (%)	89.80	89.60	90.99	90.06	89.42	90.99
	Subordinated Notes (%)	10.20	10.78	9.01	9.94	10.58	9.01

Rating Summary

Transaction Name	Report Type	Rating Type	Rating Date
Jianyuan 2021-4 Residential Mortgage Backed Securities	Presale	Preliminary Rating	February 5, 2021

Rating Rationale

S&P Global (China) Ratings has assigned preliminary rating $AAA_{spc(sf)}$ to the Jianyuan 2021-4 Residential Mortgage Backed Securities of Class A-1, Class A-2, Class A-3 (Class A notes or Senior notes).

The rating primarily reflects the following:

— **Credit Quality of the Securitized Assets:** We analyzed the credit quality of the securitized pool based on each characteristic and attribute of every single loan in the pool compared with the archetype assumption at a pool, loan, or borrower level. We also consider the originator's operational framework, track record, and practices. We estimated the WA foreclosure frequency and loss severity for the portfolio to be 12.60% and 47.46% respectively under our $AAA_{spc(sf)}$ rating stress scenario.

— **Payment Structure and Cash Flow Mechanics:** Our cash flow analysis and stress testing combine both qualitative and quantitative assessments of the transaction, as well as other factors that may affect the cash flow. We model various combinations under default timing assumptions, prepayment rate assumptions, interest rate assumptions, different triggers and payment structures, stressed tax, fees and expenses assumptions. Jianyuan 2021-4 Class A notes are expected to be able to withstand stresses commensurate with the ratings assigned to the notes, and still meet payment obligations in a timely manner. We estimated the final S&P Global (China) Ratings CE buffer to be greater than 5%.

— **Operational and Administrative Risk:** The direct debit payment mechanism will reduce CCB's servicing workload. We believe the participants in this transaction are capable of fulfilling the duties and responsibilities stipulated in the agreement given their experience and past track record.

— **Counterparty Risk:** Our assessment of counterparty risk takes into account payment interruption risk, account bank risk, commingling risk and set off risk etc. The transaction documents have incorporated various credit quality triggers to mitigate the abovementioned counterparty risk.

— **Legal and Regulatory Risk:** This transaction is structured in accordance with China's Trust Law and China Asset Securitization scheme. We believe the SPT's legal structure meets the principle of true sale and bankruptcy remoteness in securitization. Through our legal analysis, the borrower notification, advance pledge notice, mortgage re-registration and other legal risks have been sufficiently mitigated by the arrangements stipulated in the transaction documents.

Credit Highlights

Strengths	Weaknesses
— Credit positive pool traits. As of the cut-off date, the WA CLTV ratio was 50.08%, weighted average (WA) seasoning of the portfolio was 3.92 years and average OPB per loan was CNY302,360. The WA asset yield was 5.12%.	— Limited history for housing loans and RMBS in China; the data available for analysis has not gone through a full economic cycle.
— Geographic or obligor concentration risk is relatively low in the portfolio. A total of 29,679 loans collateralized with properties are spread across 68 cities in 12 provinces, autonomous regions and municipalities directly under the central government as of the cut-off date.	— The transaction is exposed to potential interest rate risk, account bank risk, commingling risk, set off risk, and payment interruption risk.
— The senior notes have credit enhancement of 10.20% from subordinated notes with extra CE buffer based on our assessment.	— The transaction may be exposed to potential concentration risk, construction and delivery risk, and legal risk caused by forward delivery loans.
— The transaction adopts a sequential paydown structure with performance triggers and other structural mechanics to protect senior notes.	— The transaction may be exposed to borrower notification risk and mortgage re-registration risk.

Related Methodologies, Models & Research

Methodology Applied:

— S&P Ratings China--Structured Finance Methodology

Related Research & Commentary:

— Commentary: Understanding Our Approach to China Residential Mortgage-Backed Securities

— Coronavirus: Understanding the Known Unknowns

— The Journey Ahead: A Look At China's RMBS Sector (First Edition)

Model Applied:

— SPG China Ratings RMBS Credit Model

— SPG China Ratings Structured Finance Cash Flow Engine

1. Macro-Economic and Industry Trend

S&P Global (China) Ratings expects China to maintain above-average economic growth relative to other middle-income economies in the next few years. However, growth is likely to come under pressure from U.S.-China tensions and ongoing efforts to restructure the economy and reduce financial risks. We believe the government will maintain its restrained fiscal and macroprudential policy stance as it looks to support sustainable economic development in 2021. In addition, benefiting from China's strict and rapid pandemic response measures, we expect any COVID-related impact on the country's economic development in 2021 to remain under control.

As the wider economy gradually returns to its pre-pandemic state, we believe China's RMBS residential mortgage loan market and RMBS products' overall credit quality will remain stable in 2021.

For 2021, real estate policy is expected to continue adhering to the current regulatory framework of "homes are for living in, not speculation" and "one policy for one city," with the goal of stabilizing house prices, land prices and expectations. As an important part of China's economy, the real estate development industry is set to maintain overall stability. We expect year-over-year growth of sales area and sales volume of commercial housing to remain flat in 2021. In our view, the industry's financing environment would continue to moderately tighten as seen in the second half of 2020. The pace and implementation of quantitative control measures may become the focus throughout 2021 and promote a gradual decline in the industry's leverage ratio.

We expect growth of the residential mortgage loan market to continue to soften due to a combination of factors, such as ongoing tightening of the regulatory environment for real estate, limiting banks' residential mortgage loans' exposure, and a continued slowdown in growth of consumers' disposable income. However, as the best-performing retail asset type on the market, we expect the residential mortgage non-performing loan (NPL) ratio to stay at a very low level, with overall credit quality in the sector set to remain stable through 2021.

In 2020, we believe COVID had a varied impact on RMBS products' cash inflows, delinquency rates and the recovery process, as well as the operating capacity of various counterparties. While data across different financial institutions paints a mixed picture due to various grace periods and measures taken against the impact of the pandemic, the climb in delinquency rates in the first half of 2020 reflects the short-term impact of COVID. With the pandemic largely under control, overall asset performance is returning to pre-COVID levels. As the wider economy gradually returns to its pre-pandemic state, we believe China's residential mortgage loan market and RMBS products' overall credit quality will remain stable in 2021.

2. Transaction Overview

This new residential mortgage-backed securities (RMBS) transaction is the fourth RMBS securitization transaction originated by China Construction Bank Corp. (CCB) in 2021. It is also CCB's 70th RMBS transaction since 2005. A special purpose trust (SPT) named Jianyuan 2021-4 Residential Mortgage-Backed Securitization Trust will be set up according to the trust agreement entered by the originator – CCB, and the trustee – China Construction Bank Trust Co., Ltd (CCB Trust).

S&P Global (China) Ratings' CE buffer for Jianyuan 2021-4 Class A notes is estimated at greater than 5%.

The following tables illustrate the basic tranches' information, key dates and payment cycle. The "CE buffer" in Table 1 represents the excess credit enhancement supported by available assets after the Class A notes' timely payment of interest and ultimate payment of principal have been addressed under S&P Global (China) Ratings' most stressed scenario, according to the assigned ratings. It represents our view on the extra cushion to absorb losses for the Class A notes based on the current capital structure and relevant assumptions. It is not equivalent to this transaction's breakeven CE.

Table/Chart 1 Basic Structure

Structure	Preliminary Rating	Amount (CNY Mn)	Percentage (%)	Coupon (%)	Expected Maturity[1]	CE Buffer (%)
A-1	$AAA_{spc(sf)}$	1,400.00	15.60	Floating	2022/12/26	>5
A-2	$AAA_{spc(sf)}$	2,000.00	22.29	Floating	2024/5/26	>5
A-3	$AAA_{spc(sf)}$	4,658.00	51.91	Floating	2027/4/26	>5
Sub	NR	915.75	10.20		2044/7/26	N/A
Total Liabilities (Assets)		8,973.75	100.00			

Note 1: Expected Maturity is consistent with the transaction document based on a 10% prepayment rate assumption.
NR – Not Rated; N/A – Not Applicable
Source: Transaction documents, compiled by S&P Global (China) Ratings.

Table/Chart 2 Key Dates and Frequency

Category	Date/Frequency
Cut-off Date	10 January 2021
Expected Closing Date	10 March 2021
First Payment Date	26 April 2021
Payment Frequency	Monthly
Legal Final Maturity Date	26 July 2047

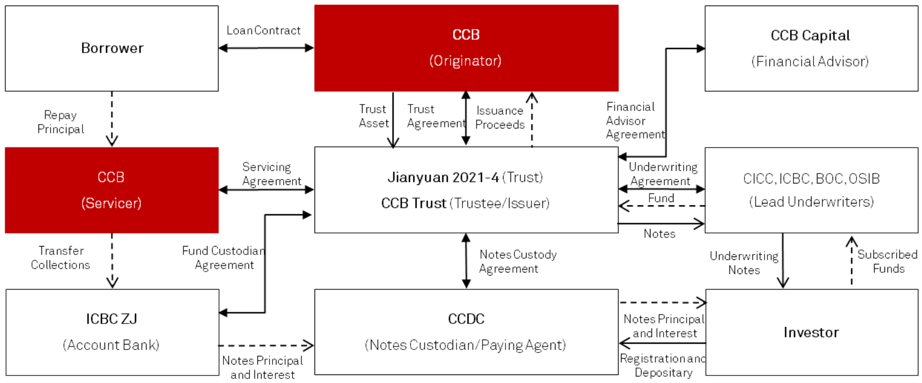
Source: Transaction documents, compiled by S&P Global (China) Ratings.

The portfolio is well diversified; however, the portfolio has a portion of forward delivery loans.

The transaction adopts both interest and principal waterfalls.

The transaction is backed by a static portfolio of fully amortizing and full-recourse residential loans collateralized by residential properties (typical residential properties without trading restrictions) which meet the eligibility criteria stipulated in the transaction documents. The collateral residential properties are registered with first-ranking mortgages for the benefit of the originator - CCB. The weighted average (WA) seasoning of the portfolio is 3.92 years, with a WA original loan to value ratio (OLTV) of 61.93% and a WA current loan to original value ratio (CLTV) of 50.08%. The WA remaining term to maturity for the portfolio is 12.98 years. The obligor concentration risk is relatively low in the portfolio. Underlying collateral properties are spread across 68 cities in 12 provinces, autonomous regions and municipalities directly under the central government. 14.17% of the properties securing mortgage loans are located in Chongqing, and the second-largest concentration is in Quanzhou, with 5.59% of the portfolio – calculated by outstanding principal balance (OPB). Also, there are 8,204 forward delivery loans, representing 29.30% of the portfolio by OPB. The transaction adopts both interest and principal waterfalls. Principal collections available after covering any shortfall in senior fees and expenses, note interest payments, are expected to be used to pay down rated notes either in accordance with scheduled amortization or in a pass-through manner. The chart below displays the transaction's main participants and structure diagram.

Table/Chart 3 Structure Diagram



Source: Transaction documents, compiled by S&P Global (China) Ratings.

3. Credit Quality of the Securitized Assets

3.1. Originator/Servicer

3.1.1 Originator/Servicer Background

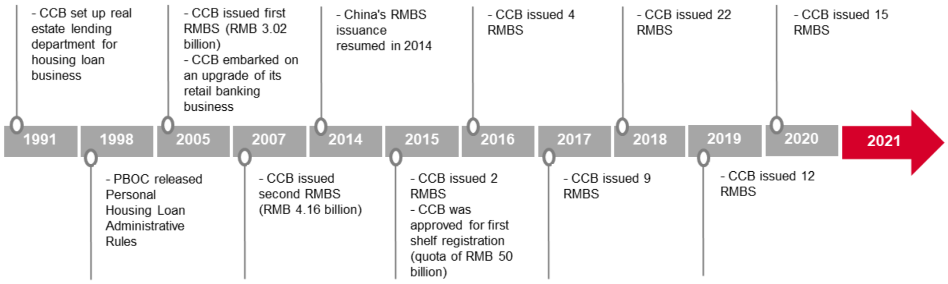
CCB was established in 1954 and is headquartered in Beijing. The bank was listed on the Hong Kong Stock Exchange in October 2005 and the Shanghai Stock Exchange in September 2007. CCB is the second largest commercial bank in China by total assets, which stood at CNY28.30 trillion at the end of September 2020. The Financial Stability Board updated its list of global systemically important banks (G-SIBs) in 2015, adding CCB as the seventh Asian G-SIB.

CCB's residential mortgage loan book reached CNY5.3 trillion at the end of 2019, with around 18% market share and a low NPL ratio.

CCB differentiates itself from other competitors by specializing in providing loans for infrastructure projects and the residential mortgage sector. As of the end of 2019, the residential mortgage loan book accounted for around 35% of the bank's gross loan book. As the first bank in China to provide mortgage loan products, CCB's residential mortgage loan book reached CNY5.3 trillion at the end of 2019, a 12% year-over-year increase. With around 18% of the market share, CCB is the biggest residential mortgage loan originating bank in China. The residential mortgage loan book's NPL ratio was 0.24% at the end of 2019, the same as it was in 2018.

The bank has a long track record of sponsoring RMBS issuance in China. As of the end of 2020, CCB's Jianyuan RMBS series was one of the bank's most mature securitization programs, with a total issuance of CNY667.1 billion since 2005. In 2020, CCB's origination reached a record total of 15 transactions worth CNY148.0 billion. CCB's current CNY300 billion shelf registration quota was applied in December 2020. This is CCB's eighth shelf registration quota to be approved by the PBoC since the very first approval in 2015.

Table/Chart 4 CCB's History on Residential Mortgage and RMBS Issuance



Sources: Public information, compiled by S&P Global (China) Ratings.

CCB is an experienced originator with total RMBS issuance of CNY667.1 billion as of the end of 2020. CCB applied for its eighth shelf registration quota of CNY300 billion in December 2020.

CCB's Housing Financing and Personal Lending Department (HFPL) is responsible for its residential mortgage loans business. CCB also set up this function to be embedded with RMBS issuance and management responsibilities.

3.1.2. Mortgage Products Analysis

CCB provides a broad range of personal residential mortgage loan products. Based on the features of the loan, there are typically three main products – personal housing mortgage bank loans, personal housing provident fund loans and personal combined housing loans.

The main features for all three different products are broadly consistent. The maximum tenor is typically 30 years subject to the age of the borrower and property, and the tenor for most loans is between 20 to 30 years. Minimum down payment is typically 30% and all the loans are fully documented. Loans of more than one year are fully amortized based on monthly equal instalments or equal principal repayment.

The interest rate is based on the loan prime rate (LPR) promulgated by the National Inter-Bank Funding Center (NIBFC) plus spread, which might be negative. Loans which were previously based on the benchmark lending rate set by the PBoC have been shifted to be based on LPR. Personal housing provident fund loans have a lower interest rate but have a borrowing limit. CCB's reset frequencies can provide for a new rate to become effective in the month, the quarter, beginning of next year, or an anniversary following the rate change.

3.1.3. Origination and Underwriting

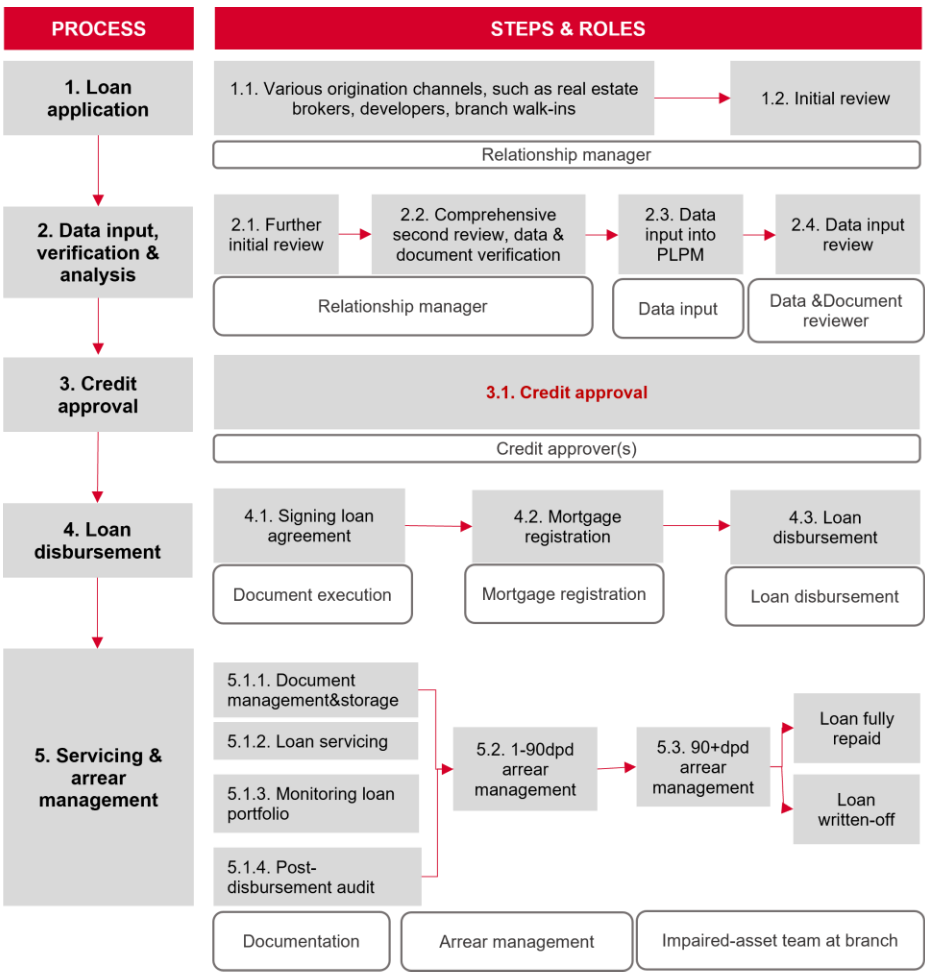
CCB has a broad range of mortgage products, strong origination channels and robust underwriting process.

CCB has a strong origination channel and an extensive distribution network, with around 15,000 banking operation centers and approximately 350,000 staff members as of the end of 2019. The bank's operations include the head office, 37 tier-one branches, 355 tier-two branches, about 14,000 sub-branches, 301 outlets, and one specialized credit card division at the head office. Within its operational network, CCB has also built business-oriented operating centers, including over 1,500 personal loan centers. Besides CCB's own channels, potential borrowers are referred by real estate developers, brokers and other third-party agencies. Third parties will not be involved in the internal underwriting process.

We believe CCB has established a robust review and underwriting process. The first-tier review is to verify the authenticity as well as the completeness of loan applications. CCB assesses a borrower's eligibility for applying for a CCB mortgage loan by looking at the number of properties the borrower or his/her household owns and the borrower's credit history in the PBoC's China Credit Reference Center. The second-tier review process includes an internal score card model assessment and manual review and credit approval. Once the borrower obtains final approval from CCB, a document execution officer must call the borrower to verify the authenticity of the borrower and the associated mortgage loan before the loan agreement is prepared and executed. A dedicated mortgage registration officer needs to complete the mortgage registration process before the loan disbursement. A separate loan disbursement officer will conduct a final check prior to distributing the funds. The chart below demonstrates the end-to-end mortgage loan life cycle. Throughout the whole process, different roles are responsible for different dedicated responsibilities. Each role can only perform its corresponding responsibilities in the system.

There is clear segregation of duties in the end-to-end process and PLPM system.

Table/Chart 5 End-to-end process overview in Personal Loan Process Management system (PLPM)



Sources: CCB, compiled by S&P Global (China) Ratings.

We believe there are potential extra risks for those forward delivery loans compared to formally registered mortgage loans. CCB generally mitigates related risks by tightening controls on developer selection and property management. In situations such as a construction or delivery delay, or not having ownership certification due to other external factors, CCB generally closely monitors such scenarios and borrower payments. For loans without formal mortgage registration, CCB generally requires developers to provide joint guarantees for the mortgage loans.

3.1.4. Arrears Management and Collection

The collection process is usually settled out of court, and we believe it normally takes two to three years to finish the full process.

Borrowers normally set up automatic direct debit accounts with CCB to make monthly repayments. This is in line with industry practices. The repayment date is typically spread throughout a month. The front line of post-loan management is generally at a branch or sub-branch level where a call must be made to the borrower within the first month following the loan disbursement. The purpose of the call is to improve customer satisfaction as well as to detect any unusual signals as early as possible. CCB closely monitors the whole mortgage loan book and constantly reviews borrowers' information. There are various internal models to enable the team to produce a list of borrowers displaying signs that could be of concern (e.g. borrowers' other loans becoming delinquent). The list will be sent to front line branch staff to follow up with borrowers, and results or updates must be provided back to the head office. Branch staff also need to use CCB's internal property reappraisal and management system to track and monitor the progress of mortgage registration and the change from advance registration notice of mortgage to mortgage registration.

In arrears management, CCB communicates with the borrower to determine the cause of a delinquency and identify how the borrower plans to resolve it. Analysis of past Jianyuan series indicates that the collection process is typically settled out of court rather than through a legal process. Based on observations and experience shared by CCB, we believe it normally takes two to three years to finish the full collection process. Collection activities are generally continued until the loan is paid or settled in full or the loan is determined to be uncollectible.

3.2. CCB Aggregate Portfolio Analysis

3.2.1. Overall Asset Quality

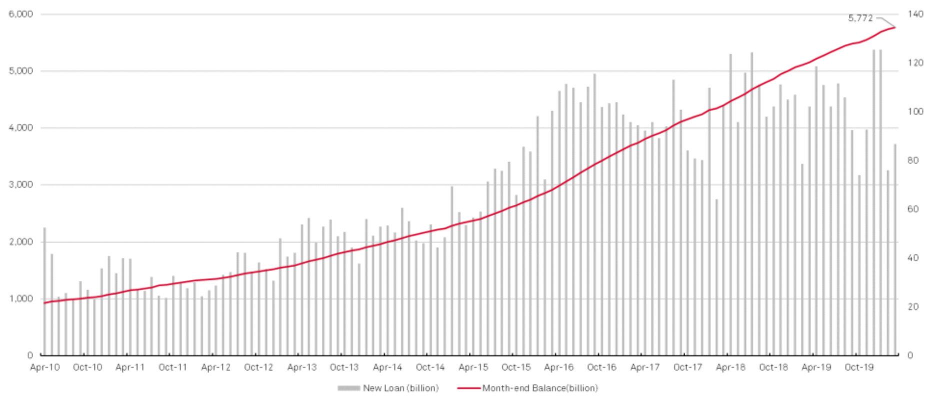
As the first bank in China to offer personal mortgage products, CCB has maintained its leading position and grown consistently, with a CAGR of 15% in the past five years.

CCB's residential mortgage book has grown quickly and consistently since the bank started the business in 1991. The total size of the book has increased from around CNY900 billion to more than CNY5 trillion in the past decade. The rapid growth in CCB's residential mortgage business could be attributed to two factors. Firstly, a combination of a strong economy, on-going urbanization, persistent demand for home ownership, low interest rates and steadily increasing household income has supported the rapid growth of the residential housing sector in the past decade. Secondly, CCB's on-going investment in and focus on the housing sector reflects its long-term commitment to being the leading mortgage loan originating bank in China. Six mega banks (ICBC, CCB, ABC, BOC, PSBC and BoCom) had over 70% of China's mortgage market at the end of 2019. CCB has the largest market share among these banks and its NPL ratios remain in a low range.

3.2.2. Dynamic Data Analysis

We analyzed CCB's dynamic data from March 2010 to March 2020. The mortgage loan portfolio had a compound annual growth rate of 15% in the past five years, with a total outstanding balance of CNY5.77 trillion as of the end of March 2020.

Table/Chart 6 CCB's Mortgage Loan Book Overview and Growth

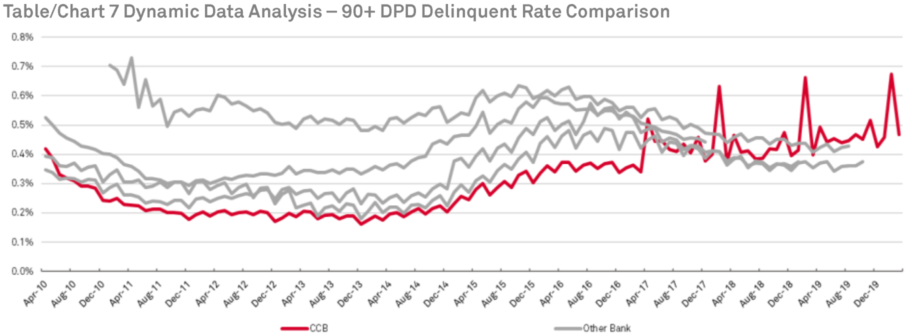


Sources: Public information, compiled by S&P Global (China) Ratings.

CCB's 90+ DPD delinquencies have stabilized to a 0.2% - 0.6% range in the past five years.

The chart below shows the historical mortgage book performance of other mega banks based on public dynamic data. CCB's delinquencies represented by 90+ days past due (DPD) bucket have stabilized to a 0.2%-0.6% range on a dynamic basis in the past five years. There were three spikes in February 2018, February 2019, and February 2020 at 0.63% ,0.66% and 0.67% respectively, which were still within our expectations.

Table/Chart 7 Dynamic Data Analysis – 90+ DPD Delinquent Rate Comparison

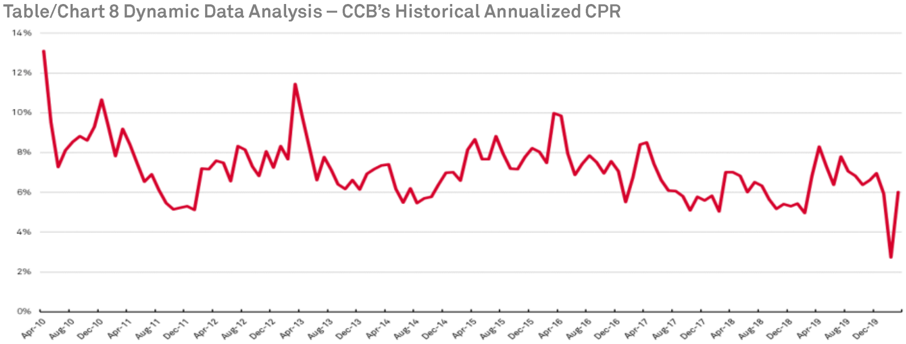


Sources: Public information, compiled by S&P Global (China) Ratings.

CCB's prepayment trend corresponds to the behavior of other mega banks' mortgage loan borrowers in the past five years.

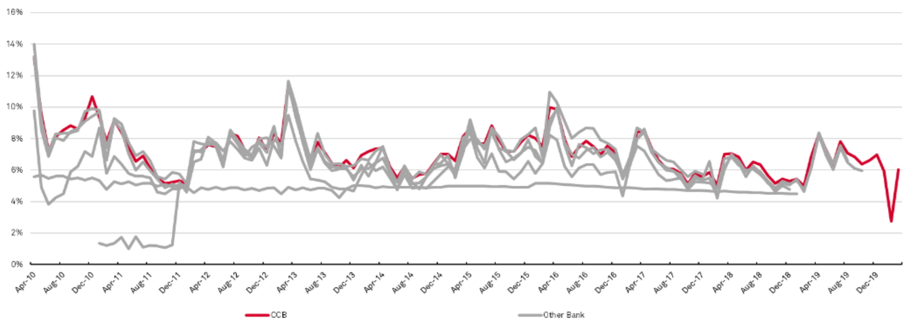
Chart 8 shows CCB's historical annualized conditional prepayment rate (CPR) between May 2010 and March 2020, which mainly ranged from 5% to 10%. This trend corresponds to the behavior of other mega banks' mortgage loan borrowers. Chart 9 compares these banks and their average CPR in the past five years. CCB's prepayment performance is within our expectations. Therefore, standard prepayment speed vector assumptions were applied in the cash flow analysis and stress testing scenarios.

Table/Chart 8 Dynamic Data Analysis – CCB's Historical Annualized CPR



Note: CPR is calculated based on public dynamic data. The formula is as following: CPR = 1 – (1 – prepayment amount in the month / the outstanding loan balance in the beginning of the month) ^12.
Sources: Public information, compiled by S&P Global (China) Ratings.

Table/Chart 9 Dynamic Data Analysis –Historical CPR Comparison



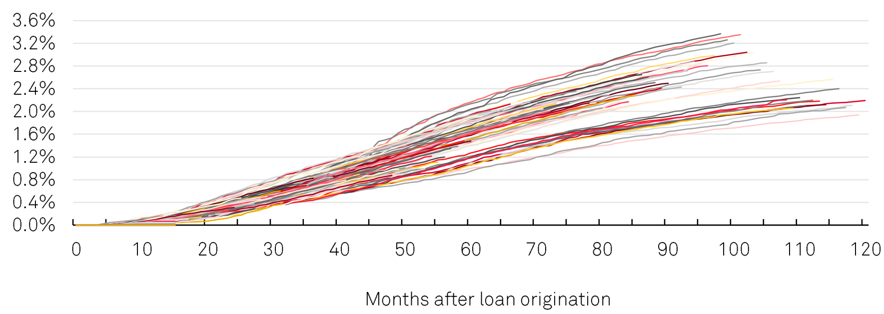
Sources: Public information, compiled by S&P Global (China) Ratings.

3.2.3. Static Data Analysis

Based on CCB's public registration file, we observed its historical monthly vintage arrears data from March 2010 to March 2020. The end of the arrears buckets was 120+ DPD. Using 91-120 DPD as a proxy to analyze CCB's static pool performance, arrears in more seasoned vintages were concentrated within a band of 2.0%-3.0%. Given the 91-120 DPD bucket is still relatively early for mortgage loan products, no early warning indicators were identified in this analysis.

CCB's 91-120 DPD delinquencies in more seasoned vintages were concentrated within a band of 2.0%-3.0% in the past decade. No early warning signs were identified in the static data analysis.

Table/Chart 10 Static Data Analysis – Historical Accumulative 91-120 DPD Delinquent Rate



Sources: CCB, compiled by S&P Global (China) Ratings.

3.3. Securitized Portfolio Analysis

3.3.1. Securitized Pool Overview

The asset pool provided by the originator had an outstanding principal balance of CNY8.97 billion as of the cut-off date on 00:00 January 10, 2021. We estimated that the securitized portfolio accounted for approximately 0.16% of CCB's total loan book. The loans were selected at random subject to meeting the eligibility criteria.

The securitized portfolio has a relatively high WA asset yield, and concentration risk is relatively low. However, the portfolio has a certain percentage of forward delivery loans which are only registered with an advance pledge notice.

Table/Chart 11 Pool Summary

Key Characteristics	Jianyuan 2021-4
Total Number of Loans	29,679
Total OPB of Loans (CNY billion)	8.97
Average OPB of Loans (CNY'000)	302.36
WA CLTV (%)	50.08
WA OLTV (%)	61.93
WA Asset Yield (%)	5.12
WA Remaining Tenor (year)	12.98
WA Loan Seasoning (year)	3.92
Forward Delivery (%)	29.30

Source: Transaction documents, compiled by S&P Global (China) Ratings.

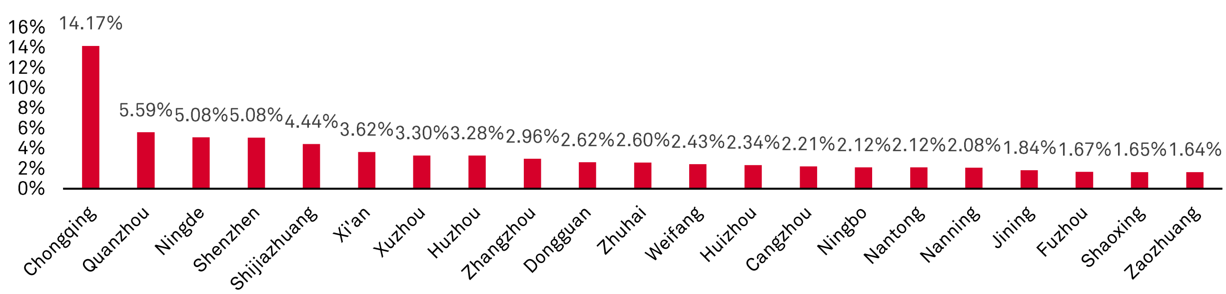
3.3.2. Pool Stratification and Asset Characteristics

This transaction's pool stratification is relatively similar to the rest of the Jianyuan series, with positive credit pool traits. As of the cut-off date, the pool's WA CLTV is on an average level for the Jianyuan series. The portfolio's WA asset yield is higher than the median and average for the Jianyuan series. The WA remaining tenor is longer than the median and average for the Jianyuan series. The obligor concentration risk is relatively low in the portfolio. Loans are collateralized with properties spread across 68 cities in 12 provinces, autonomous regions and municipalities directly under the central government, where 14.17% of the properties securing mortgage loans are located in Chongqing.

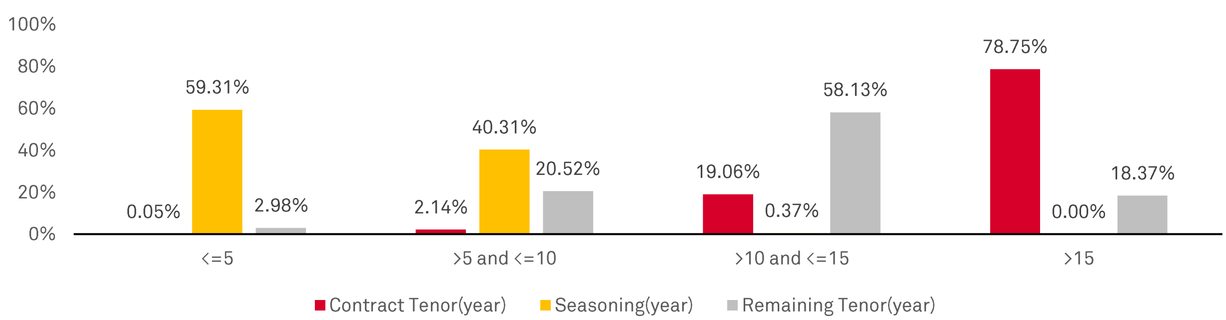
However, 8,204 loans in the asset pool are only registered with an advance pledge notice, accounting for 29.30% of the total outstanding balance. Based on historical interviews with branches with large outstanding balance of forward delivery loans, we reviewed the top housing communities and developers originated by these branches and assessed their internal control and risk management on forward delivery loans. We believe the concentration risk of developers and buildings is relatively low for the forward delivery loans in this asset pool.

Table/Chart 12 Geographic Concentration (By province; Percentage of current OPB)

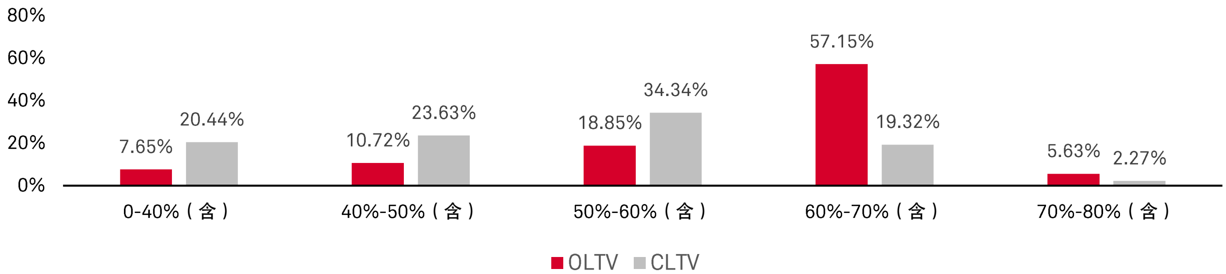
Table/Chart 13 Geographic Concentration (By cities; over 1.5% of current OPB)



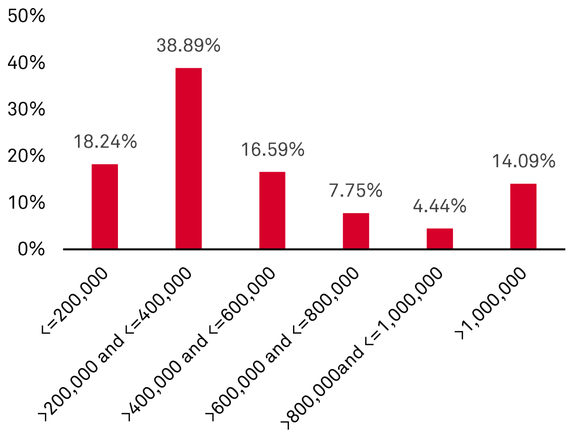
Table/Chart 14 Loan Tenor, Loan Seasoning and Remaining Tenor (Percentage of current OPB)



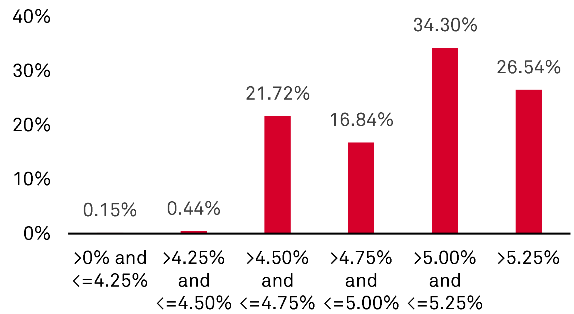
Table/Chart 15 CLTV & OLTV (Percentage of current OPB)



Table/Chart 16 Outstanding Balance (Percentage of current OPB)



Table/Chart 17 Asset Yield (Percentage of current OPB)



3.3.3. Peer Comparison

Table/Chart 18 peer Comparison

Transaction Name		Jianyuan 2021-4	Jianyuan 2021-1	Zhaoyinhejia 2020-9	Gongyuanyiju 2020-6	Youyuanjiahe 2020-1	Zhongyingwanjia 2021-1	Nongyinghuiyu 2021-1
Originator		CCB	CCB	CMB	ICBC	PSBC	BOC	ABC
Asset Characteristics								
Number of Loans		29,679	16,912	4,205	43,602	25,916	25,707	92,358
Number of Borrowers		29,677	16,911	4,205	43,592	25,913	25,682	92,358
Total OPB (CNY billon)		8.97	5.14	1.94	12.50	5.02	9.66	20.01
Average OPB per loan (CNY'000)		302.36	304.00	460.31	286.60	193.65	375.87	216.71
WA Initial Loan Tenor (year)		16.90	18.02	23.54	15.73	15.06	16.96	15.12
WA Seasoning (year)		3.92	4.82	5.66	4.24	3.76	4.61	4.99
WA Remaining Tenor (year)		12.98	13.20	17.90	11.50	11.30	12.25	10.14
WA Asset Yield (%)		5.12	4.93	4.75	5.03	4.66	4.77	4.94
WA OLTV (%)		61.93	64.33	65.64	61.79	60.95	62.38	60.05
WA CLTV (%)		50.08	49.79	53.25	47.46	48.04	46.87	43.24
Initial Property Value (CNY billion)		19.96	11.58	4.01	29.72	11.46	23.59	53.50
New Residential Mortgage (%)		78.80	78.06	84.29	82.64	15.45	81.31	82.63
Forward Delivery (%)		29.30	37.03	24.73	33.39	15.45	81.03	18.96
Top City/Concentration (%)		Chongqing / 14.17	Dongguan / 10.33	Xi'an / 43.19	Huizhou / 6.12	Hangzhou / 7.20	Chengdu / 12.08	Shenzhen / 12.02
Liability Characteristics								
Issuance Amount (CNY billion)		8.97	5.14	1.94	12.50	5.02	9.66	20.01
Transaction Structure	Senior (%)	89.80	89.22	89.48	90.99	90.06	89.42	90.99
	Subordinated (%)	10.20	10.78	10.52	9.01	9.94	10.58	9.01
Cash Reserve? (Y/N)		N	N	N	N	N	N	N

Sources: Public information, compiled by S&P Global (China) Ratings.

3.4. Credit Model Assessment

Based on our Structured Finance Methodology, we analyzed the credit quality of a Chinese residential mortgage pool with the portfolio benchmarked against a defined archetypical pool. For each characteristic and attribute of actual pools that differs from the archetype at a pool, loan, or borrower level, we would apply a corresponding adjustment to the foreclosure frequency and loss severity which are the two key credit enhancement indicators in our methodology. Depending on the risk profile of the characteristic or attribute relative to the corresponding archetypical trait, the adjustment will increase, and sometimes decrease, the foreclosure frequency and/or loss severity assumption for the individual loan and/or pool. For instance, we assumed a 100% market value decline for a portion of loans to address the risk of a lack of property insurance and applied that into the loss severity assumption.

We may also make adjustments to account for any product-specific features as well as originator and servicer practice quantitively and qualitatively. The table below summarizes Jianyuan 2021-4's main characteristics that have deviated from the archetypical pool.

Table/Chart 19 Foreclosure and Loss Severity Multiples

Category	Multiples (x)
City Tier Concentration	1.78
Self-Employment	1.07
CLTV	0.87
Seasoning	0.90
Loan Term	0.78
Forward Delivery (Foreclosure Frequency Adjustment)	1.08
Property Insurance	1.06
Property Size	1.03
Valuation & Property Realization Approach	1.04
Forward Delivery (Loss Severity Adjustment)	1.06

Sources: S&P Global (China) Ratings' assumption.

The key credit enhancement components for Jianyuan 2021-4 were determined through the application of our Structured Finance Methodology. The results are shown in the table below and were applied into our cash flow modelling and stress testing.

Table/Chart 20 Summary of Assumptions and Credit Enhancement Components

China Archetypical Pool AAA$_{spc(sf)}$ Rating Stress Assumptions	
Foreclosure Frequency (%)	10.00
Loss Severity (%)	50.70
Market Value Decline (%)	45.00
Standard Recovery Period (months)	30
Interest Rate through Recovery Period (%)	10.00
Fixed Selling and Legal Costs (CNY)	2,000
Variable Selling and Legal Costs (% of Stressed Market Value)	12.00
Securitized Pool Key Credit Enhancement Components	
Rating Stress Scenario	AAA$_{spc(sf)}$
Foreclosure Frequency (%)	12.60
Loss Severity (%)	47.46

Sources: S&P Global (China) Ratings' assumption.

We estimated the WA foreclosure frequency and loss severity for the portfolio to be 12.60% and 47.46% under our AAA$_{spc(sf)}$ rating stress scenario.

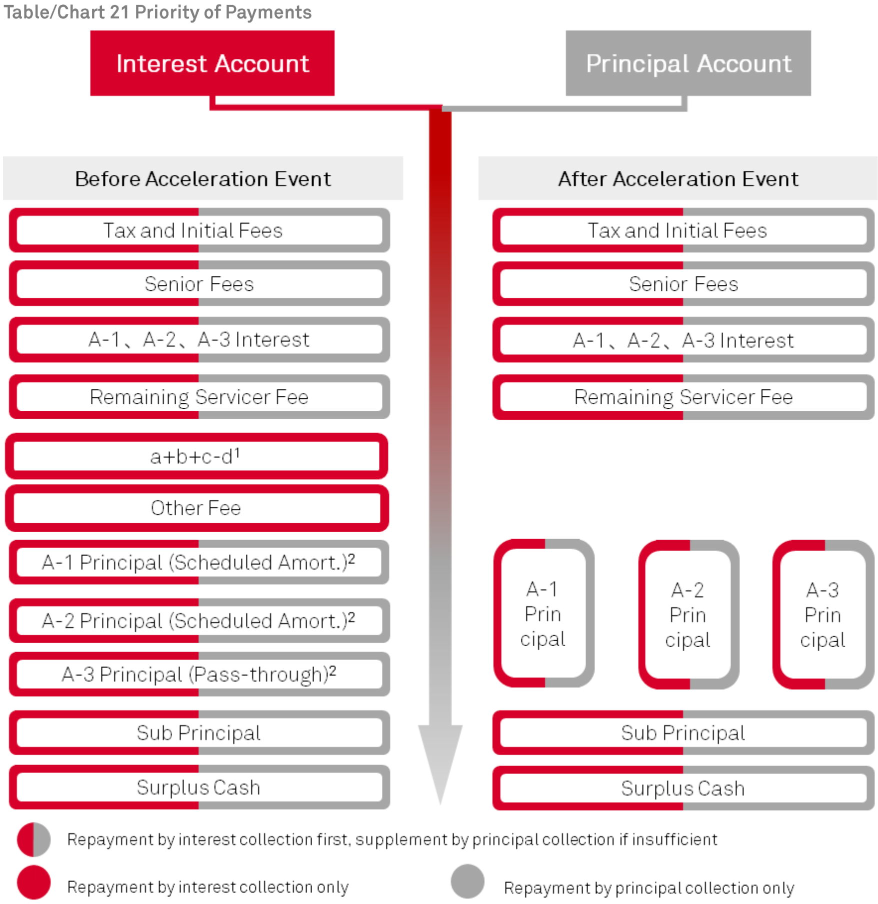
4. Payment Structure and Cash Flow Mechanics

The transaction adopts both interest and principal waterfalls. The pro rata payment structure has been modelled in our cash flow analysis.

The SPT will issue Class A-1, Class A-2, Class A-3 senior notes, and subordinated notes at par. The Class A-1, Class A-2 and Class A-3 notes will be issued at a floating rate according to the 5-year LPR promulgated by NIBFC plus spread. Available funds for distribution include principal and interest collections, default interest, penalty, and return on permitted investments etc. In our cash flow analysis, we typically do not give any credit to any penalty fee, additional default interest and handing fee etc.

Interest collected on the rated notes is calculated based on the principal outstanding balance. It will be distributed to senior class on a pari passu basis. Prior to any acceleration events, principal payments after application of principal draws (if any) will be used to pay down Class A-1 till its target balance. The remaining principal will be used to repay Class A-2 principal until its target balance, then repay downstream Class A-3 principal. If Class A-1 and Class A-2's principal are paid down and Class A-3's principal has not been fully paid, the remaining amount will be used to pay Class A-3 principal. If Class A-3 note principal is fully paid down, Class A-1 and A-2 principal will be paid down on a pari passu and pro rata basis. Please refer to the chart below for a summary of the priority of payments.

Table/Chart 21 Priority of Payments



Note1: a+b+c-d represents the accumulative amount of refill to interest account from the principal account plus the amount default occurred in the most recent period.

Note2: Please refer to the above paragraph for the priority of payment for the senior tranches.

Sources: S&P Global (China) Ratings' assumption.

There are various acceleration triggers, events of default and individual notification events etc. structured into the transaction. We have considered the accumulated default rate triggers in our cash flow modelling. We also considered the pro rata payment structure in our cash flow stress scenarios to model if other non-default rate related acceleration events may be triggered after trust is established. This transaction sets a clean-up call mechanism where the originator can repurchase assets when certain conditions are met. However, we do not assume that the clean-up call would be exercised in our cash flow analysis.

The transaction is exposed to interest rate basis risk, mainly including the basis risk caused by differences in the interest rate benchmark and resetting frequency. According to bulletin (2019) No. 30 announced by PBoC, starting from March 1, 2020, financial institutions shall negotiate terms with clients concerning the pricing benchmark shift for existing floating rate loans. The basis points added can be negative and shall be fixed during the remaining period of the contract. Alternatively, the pricing benchmark can be shifted to a fixed rate. In principle, the pricing benchmark shift for existing floating rate loans shall be completed before August 31, 2020. 96% of loans in the Jianyuan 2021-4 portfolio are floating interest rate loans. Until the cut-off date, the benchmark of underlying assets is either 5-year LPR or one-year LPR. However, Class A-1, Class A-2 and Class A-3 notes are at floating rates, which refer to the 5-year LPR. The underlying loans' floating rates have two different resetting frequencies. The new rates may become effective in the beginning of the year, or an anniversary following the rate change. However, when the benchmark rates change, the new rate for the senior notes becomes effective on January 26 of the year following the rate change. The first benchmark adjustment date is January 26, 2022 and refers to the 5-year LPR announced one month before the adjustment date. Our interest rate assumptions along with interest rate margin compression in the cash flow analysis have considered the abovementioned risk.

We applied the below assumptions in our cash flow analysis and stress scenarios testing.

Table/Chart 22 Summary of cash flow modelling assumptions

Cash Flow Modelling Assumptions	
Rating Stress Scenario	$AAA_{spc(sf)}$
Foreclosure Frequency (%)	12.60
Loss Severity (%)	47.46
Additional Asset Characteristics Stress	N/A
Additional Originator/Servicer Stress	N/A
Payment Structure Assumptions	Sequential/Pro rata
Default/Loss Timing Curve	See table 23
Recovery Period	34 months (Factor in longer recovery period for forward delivery loans)
Constant Prepayment Speed Vector	Standard assumptions – high (20%), base (10%), and low (3%)
Interest Rate Assumptions	A1: 3.65% (LPR -1.00%); A2: 4.05% (LPR - 0.60%); A3: 4.25% (LPR - 0.40%); Benchmarking LPR with three curves - up, down and constant
Tax, Fee and Expense Assumptions	S&P Global (China) Ratings' tax, fees and expenses assumptions; Assumed servicer fee (0.35%) and extra fee stress (0.25%)

Jianyuan 2021-4 has passed all of our cash flow modelling stress scenarios. S&P Global (China) Ratings CE buffer for senior notes is estimated at greater than 5%.

Key Risk Mitigation Adjustments	N/A
Other Qualitative or Quantitative Adjustments	N/A

Sources: S&P Global (China) Ratings' assumption.

Table/Chart 23 Default/loss timing assumptions

Standard Default/Loss Timing Assumptions for China RMBS			
Month	Front-end	Base-case	Back-end
7	10%	10%	
12	25%	15%	5%
18			15%
24	30%	25%	25%
36	20%	25%	25%
48	10%	15%	15%
60	5%	10%	10%
72			5%
Total	**100%**	**100%**	**100%**

Sources: S&P Global (China) Ratings' assumption.

Our stress testing includes different stress scenarios from a combination of default timing assumptions (front-end, base-case and back-end), prepayment rate assumptions (high, constant and low), and interest rate assumptions (increasing, stable and decreasing). We model various combinations under different payment structures, stressed tax, fees and expenses assumptions, and various triggers. We expect the asset cash flows to be able to withstand stresses commensurate with the ratings assigned to the notes, and still meet payment obligations in a timely manner.

Based on the above analysis, Jianyuan 2021-4 Class A notes have passed all of our cash flow modelling stress scenarios with extra buffer. The extra buffer under the most stressed scenario is estimated at greater than 5%, representing the excess credit enhancement supported by available assets after the Class A notes' timely payment of interest and ultimate payment of principal have been addressed under S&P Global (China) Ratings' most stressed scenario according to the assigned ratings.

In addition to the above testing of stress scenarios and assignment of preliminary ratings to this transaction, we have also conducted a separate sensitivity analysis. This measures how the initial rating of the security may vary based on only changing the default rate and/or recovery rate. It provides insight on the sensitivity of the preliminary rating; it is intended to consider potential rating migration under a heightened stress environment well beyond our $AAA_{spc(sf)}$ stress. It does not have an impact on our cash flow analysis results or the preliminary rating assignment. The table below displays the outcome of our sensitivity analysis.

Table/Chart 24 Stress scenarios

Stress Scenarios	Base Case	Foreclosure Frequency +20%	Loss Severity +20%	Both Foreclosure Frequency and Loss Severity+20%
Foreclosure Frequency (%)	12.60	15.12	12.60	15.12
Loss Severity (%)	47.46	47.46	56.95	56.95
Senior Notes Preliminary Rating*	$AAA_{spc(sf)}$	$AAA_{spc(sf)}$	$AAA_{spc(sf)}$	$AAA_{spc(sf)}$

Note: The expected rating based on stress scenarios does not represent our opinion on rated notes.

Sources: S&P Global (China) Ratings' assumption.

5. Operational and Administrative Risk

Similar to previous RMBS transactions, as the servicer, CCB collects and applies payments on the loans, investigates and administers delinquent, defaulted and charged-off loans and otherwise manages the loans. There are no observed past servicer issues relating to a failure to perform the duties in these transactions. As with previous transactions, borrowers generally enter into a direct debit collection agreement with CCB. This payment mechanism will reduce CCB's servicing workload. We believe the bank's IT infrastructure and operation model are capable of fulfilling the duties and responsibilities stipulated in the agreement, given CCB is one of the most experienced RMBS servicers in China.

There is no back-up servicer on this transaction. We stressed the servicer fee to 0.35% and added another 0.25% for the overall fee assumptions, which we believe should be sufficient to address unexpected events or the potential for a higher fee requested by a replacement third party.

ICBC Zhejiang Provincial Branch acts as the account bank for the trust. The account bank opens and maintains all the bank accounts for the trust. CCB Trust, as the trustee, will operate the cash flow of the accounts on behalf of the trust. Any cash flow operations will be strictly executed under the terms of various legal agreements. The detailed cash flow information is expected to be disclosed publicly via a monthly trust report. The monthly trust report published by CCB Trust is expected to follow the PBoC and China Banking and Insurance Regulatory Commission (CBIRC)'s detailed regulatory public disclosure requirements. The remaining counterparties, such as the paying agent China Central Depository and Clearing Co., are all experienced securitization service providers. We believe the participants in this transaction are capable of fulfilling the duties and responsibilities stipulated in the agreement given the current arrangements, their experience and past track record.

We believe the participants in this transaction are capable of fulfilling the duties and responsibilities stipulated in the agreement given the current arrangements, their experience and past track record.

6. Counterparty Risk

6.1. Account Bank Risk and Mitigants

We typically expect the minimum eligible counterparty's credit quality (i.e. the level below which a counterparty typically commits to implementing remedies) to be equivalent to a high $\mathrm{BBB}_{\mathrm{spc}}$ level or above for it to be able to support an $\mathrm{AAA}_{\mathrm{spc(sf)}}$ preliminary rating on the securities. If the trigger is breached, the trustee needs to appoint a successor account bank that meets the minimum credit quality provisions in accordance with the terms of the contract. In addition, permitted investments are limited to deposits with the eligible banks subject to the minimum eligible counterparty's credit quality requirements.

6.2. Payment Interruption Risk and Mitigants

The transaction documents stipulate the trigger that the trustee should call a noteholders meeting and select an eligible back-up servicer immediately upon the servicer's credit quality deteriorating and no longer being considered sufficient by S&P Global (China) Ratings to support the outstanding rating on the notes. Also, the servicer must transfer all assets and related information to the back-up servicer upon the occurrence of any servicer termination events in accordance with the terms of the

The transaction documents have incorporated various credit quality triggers to mitigate relevant counterparty risk.

contract. We believe the payment interruption risk is mitigated as various related triggers are set up in the transaction.

6.3. Commingling Risk and Mitigants

The transaction is exposed to potential commingling risk when CCB, the servicer, holds the monthly collection up to a month before the distribution to the trust account. The transaction documents stipulate that if CCB's credit quality is no longer considered sufficient by S&P Global (China) Ratings to support the outstanding rating on the notes or if a servicer termination event resulting in the termination of the servicer has occurred, within five business days CCB will notify each borrower that the trust has been created over the related loan, and instruct them to make payments to the trust account. If a borrower still makes payments to the servicer, the servicer is obligated to transfer all the collections to the trust account within five business days.

6.4. Set-off Risk and Mitigants

The transaction is exposed to potential set-off risk when a borrower has a deposit with CCB. The exposure cannot be sized exactly until any actual set-off occurs. However, if a set-off does occur, CCB must deposit the set-off amount into the trust account. In addition, China introduced a deposit insurance scheme in 2015 in which the deposit insurance fund can cover a single depositor's loss up to CNY500,000. This scheme also moderately mitigates the risk.

7. Legal and Regulatory Risk

This transaction is structured in accordance with China's Trust Law and China Asset Securitization scheme. We believe the SPT's legal structure meets the principle of true sale and bankruptcy remoteness in securitization. However, the transaction may be exposed to borrower notification risk, advance notice registration risk and mortgage re-registration risk.

Through our legal and regulatory risk analysis, mortgage re-registration and other legal risks have been sufficiently mitigated by the arrangements stipulated in the transaction documents.

7.1. Borrower Notification Risk

The asset transfer will be publicly announced on the trust effective date according to the regulations. The transfer between the originator and trust is legally effective based on the contract law. However, the originator will not notify the borrowers at the same time. The contract law stipulates there is no legal effect against the borrower if the originator doesn't notify the borrower of the transfer. Therefore, there is a risk that borrowers may continue to make payments to the originator acting as the servicer even if the servicer is no longer performing its duties. This risk can be mitigated by rights perfection notice arrangements.

7.2. Advance Pledge Notice Risk

A portion of mortgage loans in this asset pool are only registered with an advance pledge notice. The absence of formal mortgage registration leads to legal uncertainty over the execution of mortgage rights. Due to different local judicial practices, it is possible that the trust cannot legally obtain the right to enforce and liquidate the underlying property if the advance pledge notice is not converted to a formal mortgage registration on time. The transaction documents stipulate that CCB should complete the corresponding mortgage registration conversion within 90 days from the date when the conditions are met. Such arrangements can mitigate the associated risks to a certain extent. To consider the related risks in our analysis, we adjust corresponding factors and conduct stress testing in credit model and cash flow analysis.

7.3. Mortgage Re-registration Risk

When the mortgage loans are transferred to the trust, the mortgage registration is not changed from the originator to the trust; therefore, this transaction is exposed to the risk that the trust company's mortgage rights may not be upheld against a bona fide third party. CCB still remains the first ranking beneficiary as of the trust effective day, which is a common practice in China's RMBS transaction sector. As a large volume of underlying loans' collateral is usually located across the whole country, the process needed for re-registering a mortgage needs to be done manually and takes a long time to complete. Such risk can be mitigated by a right perfection arrangement and the originator's representations and warranties that CCB would repurchase the unqualified loan or take other remedial measures accordingly.

7.4. Conflict of Interest Risk

CCB Trust is a subsidiary of CCB. We believe that any risks of a conflict of interest between the parent company and the noteholders are adequately addressed according to the transaction documents and guideline under the regulator's Trust Company Administrative Measure, which clearly specifies immediate actions for various situations.

Appendix 1: Ratings Definitions

Category	Definition
$AAA_{spc(sf)}$	The repayment ability is extremely strong, generally not impacted by any adverse economic environment, and the default risk is extremely low.
$AA_{spc(sf)}$	The repayment ability is very strong, not considerably impacted by any adverse economic environment, and the default risk is very low.
$A_{spc(sf)}$	The repayment ability is comparatively strong, comparatively vulnerable to the impact of adverse economic environment, and the default risk is comparatively low.
$BBB_{spc(sf)}$	The repayment ability is average, comparatively impacted by adverse economic environment, and the default risk is average.
$BB_{spc(sf)}$	The repayment ability is comparatively weak, materially impacted by adverse economic environment, and the default risk is comparatively high.
$B_{spc(sf)}$	The repayment ability relies comparatively on fair economic environment and the default risk is very high.
$CCC_{spc(sf)}$	The repayment ability relies extremely on fair economic environment and the default risk is extremely high.
$CC_{spc(sf)}$	Lower protection in situation of bankruptcy or reorganization and the repayment of debt may not be generally guaranteed.
$C_{spc(sf)}$	Unable to repay the debt.

Note: Ratings from $AA_{spc(sf)}$ to $CCC_{spc(sf)}$ may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

Appendix 2: Surveillance Plan

Jianyuan 2021-4 Residential Mortgage-Backed Securities

Surveillance Plan

S&P Ratings (China) Co, Ltd. shall monitor the credit conditions of the rated securities and certain entities deemed a type of credit dependency in this transaction (including entities such as loan servicers and bank account providers) on an ongoing basis. We shall monitor the changes in the credit quality of the asset pool and the repayment of the securities, consider the relevant reports released by the aforementioned relevant entities and other relevant information, and apply the appropriate methodology to determine any impact on the rated securities.

Appendix 3: Eligibility Criteria

Eligibility criteria represent the pool-entry requirements of each securitized loan and its collateral security right and interest on the trust effective date. The key eligibility criteria are outlined as below:

A. Criteria relating to the borrower (for each mortgage loan):

— the borrowers (including co-borrowers) shall be at least one Chinese citizen or permanent resident, and at least 18 years of age when the mortgage loan is granted;

B. Criteria relating to the mortgage loan

— the mortgage loan is in existence and is serviced by the servicer;

— all payable amounts of the mortgage loan shall be in Chinese yuan;

— the mortgage loan has not been written off according to the standard procedure of the originator;

— the mortgage loan agreement and mortgage right are legal and valid, and constitute legal, effective and binding obligations of the borrower or the mortgager, under which the creditor or the mortgagee may make claims against the borrower or the mortgager;

— the mortgage loan is classified as a normal loan (five-category loan classification method under the Guidelines for Risk-based Loan Classification);

— the maturity date of each mortgage loan shall be no later than 36 months before the legal final maturity date of the notes;

— the grant date of the mortgage loan shall be no later than January 31, 2021;

— the principal amount shall be at least CNY100,000 but shall be less than CNY10,000,000 when the mortgage loan is granted;

— the principal balance of the mortgage loan as of the pool-cut date shall be at least CNY50,000 but shall be less than CNY10,000,000;

— the initial loan to value ratio of the mortgage loan shall not exceed 80% (the initial loan to value ratio = the amount of the mortgage loan agreement/the value of mortgaged property*100%);

— the mortgage loan is an interest-bearing loan;

— the initial term of the mortgage loan shall be at least a year but not more than 30 years;

— the remaining term of the mortgage loan shall be at least a year but not more than 30 years as of the pool-cut date;

— the principal and interest of the mortgage loan shall be repaid monthly. The repayment method shall be equal instalment, equal principal or other methods agreed in the loan agreement;

— unless the borrower (or its representative) has paid off all the payable amount (including present and future, existing and contingent), the borrower has no right to unilaterally terminate the mortgage loan agreement;

— for the mortgage loan, there are no outstanding disputes, claims and arbitration or judicial proceedings between the originator and the borrower;

C. Criteria relating to the mortgage property

— as of the pool-cut date, the mortgage loan has been guaranteed by a mortgage right, which has been registered as first priority with the relevant China registration authority, with CCB as the first priority mortgagee; If the mortgage loan has been registered under advance notice registration of pledge, CCB shall be registered as the first priority for the advance notice registration of pledge;

— the relevant mortgaged property is in China;

D. Criteria for the grant and selection of the mortgage loan

— as of the pool-cut date, the mortgage loan agreement shall be, in all material aspects, identical with at least one of the mortgage loan agreement templates;

— the mortgage loan is selected and put into the asset pool from the aggregated loan portfolio by the originator according to the Eligibility Criteria; no procedure adverse to the Trust has been unreasonably used in the selection;

— the creditor's right under each mortgaged loan can be transferred legally and effectively; there shall no provision in the mortgage loan agreement prohibiting the transfer or requiring the consent of the borrower.

Appendix 4: Asset Stratification Summary

Loan Pool Statistics	
Number of Loan Contracts	29,679
Number of Borrowers	29,677
Total Original Principal Balance (CNY billion)	11.66
Total Outstanding Principal Balance (CNY billion)	8.97
Maximum Original Principal Balance (CNY'000)	9,960 .00
Maximum Outstanding Principal Balance (CNY'000)	9,476.80
Average Original Principal Balance (CNY'000)	392.75
Average Outstanding Principal Balance (CNY'000)	302.36
WA Asset Yield (%)	5.12
Maximum Contract Rate (%)	5.50
Minimum Contract Rate (%)	3.28
WA Original Term (year)	16.90
Maximum Original Term (year)	30.00
Minimum Original Term (year)	3.00
WA Remaining Term (year)	12.98
Maximum Remaining Term (year)	23.43
Minimum Remaining Term (year)	1.06
WA Seasoning (year)	3.92
Maximum Seasoning (year)	16.54
Minimum Seasoning (year)	0.02
WA Age of Borrowers (year)	41.57
WA OLTV (%)	61.93
WA CLTV (%)	50.08
Equal Installment/Equal Principal (%)	81.17/18.83
Aggregate Original Estimated Value of Property (CNY billion)	19.96
New residential mortgage /Second-hand residential mortgage (%)	78.80/21.20
Complete Residential Property (%)	70.70
Top City/Concentration (%)	Chongqing/14.17
Top Province/Concentration (%)	Guangdong/16.08

Note: All the percentages are based on current OPB; decimal difference may be caused by rounding rules.

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