

**ALLIED BANKING CORPORATION (HONG KONG) LIMITED**

**Pillar 3 Regulatory Disclosures**

**For the six months ended  
30 June 2021**

**(Unaudited)**

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**REGULATORY DISCLOSURES**
**Template KM1 : Key Prudential Ratios**
**30 June 2021**

(HK\$ '000)		30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20
	<b>Regulatory capital (amount)</b>					
1	Common equity Tier 1 (CET1)	459,290	454,902	450,712	445,645	441,605
2	Tier 1	461,360	456,972	454,852	449,785	445,745
3	Total capital	490,309	485,927	483,807	479,870	475,830
	<b>RWA (amount)</b>					
4	Total RWA	1,392,185	1,341,327	1,351,080	1,333,927	1,367,436
	<b>Risk-based regulatory capital ratios (as a percentage of RWA)</b>					
5	CET1 ratio (%)	32.99%	33.91%	33.36%	33.41%	32.29%
6	Tier 1 ratio (%)	33.14%	34.07%	33.67%	33.72%	32.60%
7	Total capital ratio (%)	35.22%	36.23%	35.81%	35.97%	34.80%
	<b>Additional CET1 buffer requirements (as a percentage of RWA)</b>					
8	Capital conservation buffer requirement (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9	Countercyclical capital buffer requirement (%)	1.000%	1.000%	1.000%	1.000%	1.000%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBS or D-SIBs)	0.00%	0.00%	0.00%	0.00%	0.00%
11	Total AI-specific CET1 buffer requirements (%)	3.50%	3.50%	3.50%	3.50%	3.50%
12	CET1 available after meeting the AI's minimum capital requirements (%)	22.72%	23.73%	23.31%	23.47%	22.30%
	<b>Basel III leverage ratio</b>					
13	Total leverage ratio (LR) exposure measure	1,547,470	1,590,279	1,600,949	1,600,218	1,641,021
14	LR (%)	29.81%	28.74%	28.41%	28.11%	27.16%
	<b>Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)</b>					
	Applicable to category 1 institution only:					
15	Total high quality liquid assets (HQLA)	NA	NA	NA	NA	NA
16	total net cash outflows	NA	NA	NA	NA	NA
17	LCR (%)	NA	NA	NA	NA	NA
	Applicable to category 2 institution only:					
17a	LMR (%)	64.04%	76.51%	89.80%	63.39%	59.05%
	<b>Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)</b>					
	Applicable to category 1 institution only:					
18	Total available stable funding	NA	NA	NA	NA	NA
19	Total required stable funding	NA	NA	NA	NA	NA
20	NSFR (%)	NA	NA	NA	NA	NA
	Applicable to category 2A institution only:					
20a	CFR (%)	NA	NA	NA	NA	NA

**Template OV1: Overview of Risk-Weighted Assets (RWA)**

The table below provides an overview of capital requirements in terms of a detailed breakdown of RWAs for various risks as at 30 June 2021 and 31 March 2021 respectively:

		(HK\$ '000)		
		(a)	(b)	(c)
		RWA		Minimum capital requirements
		June 2021	March 2021	June 2021
1	<b>Credit risk for non-securitization exposures</b>	<b>1,281,843</b>	<b>1,234,530</b>	<b>160,230</b>
2	Of which STC approach	0	0	0
2a	Of which BSC approach	1,281,843	1,234,530	160,230
3	Of which foundation IRB approach	0	0	0
4	Of which supervisory slotting criteria approach	0	0	0
5	Of which advanced IRB approach	0	0	0
6	Counterparty default risk and default fund contributions	<b>5,022</b>	<b>1,064</b>	<b>628</b>
7	Of which SA-CCR approach	NA	NA	NA
7a	Of which CEM	5,022	1,064	628
8	Of which IMM(CCR) approach	0	0	0
9	Of which others	0	0	0
10	CVA risk	0	0	0
11	Equity positions in banking book under the simple risk-weight method and internal models method	0	0	0
12	Collective investment scheme ("CIS") exposures - LTA	NA	NA	NA
13	CIS exposures - MBA	NA	NA	NA
14	CIS exposures - FBA	NA	NA	NA
14a	CIS exposures - combination of approaches	NA	NA	NA
15	Settlement risk	0	0	0
16	<b>Securitization exposures in banking book</b>	<b>0</b>	<b>0</b>	<b>0</b>
17	Of which SEC-IRBA	0	0	0
18	Of which SEC-ERBA (including IAA)	0	0	0
19	Of which SEC-SA	0	0	0
19a	Of which SEC-FBA	0	0	0
20	<b>Market risk</b>	<b>17,025</b>	<b>16,550</b>	<b>2,128</b>
21	Of which STM approach	17,025	16,550	2,128
22	Of which IMM approach	0	0	0
23	Capital charge for switch between exposures in trading book and banking book (not applicable before the revised market risk framework takes effect)	NA	NA	NA
24	Operational risk	116,925	117,813	14,616
24a	Sovereign concentration risk	0	0	0
25	Amounts below the thresholds for deduction (subject to 250% RW)	0	0	0
26	Capital floor adjustment	0	0	0
26a	<b>Deduction to RWA</b>	<b>28,630</b>	<b>28,630</b>	<b>3,579</b>
26b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	0	0	0
26c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	28,630	28,630	3,579
27	<b>Total</b>	<b>1,392,185</b>	<b>1,341,327</b>	<b>174,023</b>

**Template CC1 : Composition of regulatory capital**

As at 30 June 2021

		Amount (HK\$ '000)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
<b>CET1 capital: instruments and reserves</b>			
1	Directly issued qualifying CET1 capital instruments plus any related share premium	165,000	(5) + (6)
2	Retained earnings	339,345	(8) + (9)
3	Disclosed reserves	7,000	(11)
4	<i>Directly issued capital subject to phase out arrangements from CET1 (only applicable to non-joint stock companies)</i>	Not applicable	Not applicable
5	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	0	
6	<b>CET1 capital before regulatory adjustments</b>	511,345	
<b>CET1 capital: regulatory deductions</b>			
7	Valuation adjustments	0	
8	Goodwill (net of associated deferred tax liabilities)	0	
9	Other intangible assets (net of associated deferred tax liabilities)	0	
10	Deferred tax assets (net of associated deferred tax liabilities)	0	
11	Cash flow hedge reserve	0	
12	Excess of total EL amount over total eligible provisions under the IRB approach	0	
13	Gain-enhancing interest-only strip, and any gain-on-sale and other increase in the CET1 capital arising from securitization transactions	0	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	0	
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	0	
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	0	
17	Reciprocal cross-holdings in CET1 capital instruments	0	
18	Insignificant LAC investments in CET1 capital investments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	
19	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	
20	Mortgage servicing rights (net of associated deferred tax liabilities)	Not applicable	Not applicable
21	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	Not applicable	Not applicable
22	Amount exceeding the 15% threshold	Not applicable	Not applicable
23	of which: significant investments in the ordinary share of financial sector entities	Not applicable	Not applicable
24	of which: mortgage servicing rights	Not applicable	Not applicable
25	of which: deferred tax assets arising from temporary differences	Not applicable	Not applicable
26	National specific regulatory adjustments applied to CET1 capital	52,055	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	52,055	(4)
26b	Regulatory reserve for general banking risks	0	
26c	Securitization exposures specified in a notice given by the MA	0	
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	0	
26e	Capital shortfall of regulated non-bank subsidiaries	0	
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	0	
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	0	
28	<b>Total regulatory deductions to CET1 capital</b>	52,055	
29	<b>CET1 capital</b>	459,290	
<b>AT1 capital: instruments</b>			
30	Qualifying AT1 capital instruments plus any related share premium	0	
31	of which: classified as equity under applicable accounting standards	0	
32	of which: classified as liabilities under applicable accounting standards	0	
33	<i>Capital instruments subject to phase out arrangements from AT1 capital</i>	2,070	(7)
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	0	
35	<i>of which: AT1 capital instruments issued by subsidiaries subject to phase out arrangements</i>	0	
36	<b>AT1 capital before regulatory deductions</b>	2,070	

As at 30 June 2021

		Amount (HK\$ '000)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
<b>AT1 capital: regulatory deductions</b>			
37	Investments in own AT1 capital instruments	0	
38	Reciprocal cross-holdings in AT1 capital instruments	0	
39	Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	
40	Significant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	
41	National specific regulatory adjustments applied to AT1 capital	0	
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	0	
43	<b>Total regulatory deductions to AT1 capital</b>	0	
44	<b>AT1 capital</b>	2,070	
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	461,360	
<b>Tier 2 capital: instruments and provisions</b>			
46	Qualifying Tier 2 capital instruments plus any related share premium	0	
47	<i>Capital instruments subject to phase out arrangements from Tier 2 capital</i>	0	
48	Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group)	0	
49	<i>of which: capital instruments issued by subsidiaries subject to phase out arrangements</i>	0	
50	Collective provisions and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	5,524	(1)+(2)+(3)+(10)
51	<b>Tier 2 capital before regulatory deductions</b>	5,524	
<b>Tier 2 capital: regulatory deductions</b>			
52	Investments in own Tier 2 capital instruments	0	
53	Reciprocal cross-holdings in Tier 2 capital instruments and non-capital LAC liabilities	0	
54	Insignificant LAC investments in Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold)	0	
54a	Insignificant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (amount formerly designated for the 5% threshold but no longer meets the conditions) (for institutions defined as "section 2 institution" under S2(1) of Schedule 4F to BCR only)	0	
55	Significant LAC investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	0	
55a	Significant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	0	
56	<b>National specific regulatory adjustments applied to Tier 2 capital</b>	(23,425)	
56a	<b>Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital</b>	(23,425)	(4) x 45%
56b	<b>Regulatory deductions applied to Tier 2 capital to cover the required deductions falling within S48(1)(g) of BCR</b>	0	
57	<b>Total regulatory adjustments to Tier 2 capital</b>	(23,425)	
58	<b>Tier 2 capital (T2)</b>	28,949	
59	<b>Total regulatory capital (TC = T1 + T2)</b>	490,309	
60	<b>Total RWA</b>	1,392,185	

As at 30 June 2021

		Amount (HK\$ '000)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
<b>Capital ratios (as a percentage of RWA)</b>			
61	<b>CET1 capital ratio</b>	32.9906%	
62	<b>Tier 1 capital ratio</b>	33.1393%	
63	<b>Total capital ratio</b>	35.2187%	
64	<b>Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)</b>	3.50%	
65	<i>of which: capital conservation buffer requirement</i>	2.500%	
66	<i>of which: bank specific countercyclical buffer requirement</i>	1.000%	
67	<i>of which: higher loss absorbency requirement</i>	0.00%	
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirement	22.719%	
<b>National minima (if different from Basel 3 minimum)</b>			
69	National CET1 minimum ratio	Not applicable	Not applicable
70	National Tier 1 minimum ratio	Not applicable	Not applicable
71	National Total capital minimum ratio	Not applicable	Not applicable
<b>Amounts below the thresholds for deduction (before risk weighting)</b>			
72	Insignificant LAC investments in CET1, AT1 and Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation	0	
73	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	
74	Mortgage servicing rights (net of associated related tax liabilities)	Not applicable	Not applicable
75	Deferred tax assets arising from temporary differences (net of associated related tax liabilities)	Not applicable	Not applicable
<b>Applicable caps on the inclusion of provisions in Tier 2 capital</b>			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the BSC approach, or the STC approach and SEC-ERBA, SEC-SA and SEC-FBA (prior to application of cap)	0	
77	Cap on inclusion of provisions in Tier 2 under the BSC approach, or the STC approach, and SEC-ERBA, SEC-SA and SEC-FBA	0	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach and SEC-IRBA (prior to application of cap)	0	
79	Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA	0	
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)</b>			
80	<i>Current cap on CET1 capital instruments subject to phase out arrangements</i>	Not applicable	Not applicable
81	<i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>	Not applicable	Not applicable
82	<i>Current cap on AT1 capital instruments subject to phase out arrangements</i>	0	
83	<i>Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)</i>	0	
84	<i>Current cap on Tier 2 capital instruments subject to phase out arrangements</i>	0	
85	<i>Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)</i>	0	



As at 30 June 2021

**Notes to the template:**

Elements where a more conservative definition has been applied in the BCR relative to that set out in Basel III capital standards:

Description	Hong Kong basis (HK\$ '000)	Basel III basis (HK\$ '000)
<b>Other intangible assets (net of associated deferred tax liabilities)</b>	0	0
<u>Explanation</u> 9 As set out in paragraph 87 of the Basel III text issued by the Basel Committee (December 2010), mortgage servicing rights (MSRs) may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to follow the accounting treatment of including MSRs as part of intangible assets reported in the AI's financial statements and to deduct MSRs in full from CET1 capital. Therefore, the amount to be deducted as reported in row 9 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 9 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of MSRs to be deducted to the extent not in excess of the 10% threshold set for MSRs and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities or other credit exposures to connected companies) under Basel III.		
<b>Deferred tax assets (net of associated deferred tax liabilities)</b>	0	0
<u>Explanation</u> 10 As set out in paragraphs 69 and 87 of the Basel III text issued by the Basel Committee (December 2010), DTAs of the bank to be realized are to be deducted, whereas DTAs which relate to temporary differences may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to deduct all DTAs in full, irrespective of their origin, from CET1 capital. Therefore, the amount to be deducted as reported in row 10 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 10 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of DTAs to be deducted which relate to temporary differences to the extent not in excess of the 10% threshold set for DTAs arising from temporary differences and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities and other credit exposures to connected companies) under Basel III.		
<b>Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)</b>	0	0
<u>Explanation</u> 18 For the purpose of determining the total amount of insignificant LAC investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the Monetary Authority that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business. Therefore, the amount to be deducted as reported in row 18 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 18 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.		



As at 30 June 2021

	Description	Hong Kong basis (HK\$ '000)	Basel III basis (HK\$ '000)
19	<p><b>Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)</b></p> <p><u>Explanation</u> For the purpose of determining the total amount of significant LAC investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the Monetary Authority that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business. Therefore, the amount to be deducted as reported in row 19 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 19 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.</p>	0	0
39	<p><b>Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)</b></p> <p><u>Explanation</u> The effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as CET1 capital instruments for the purpose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will mean the headroom within the threshold available for the exemption from capital deduction of other insignificant LAC investments in AT1 capital instruments may be smaller. Therefore, the amount to be deducted as reported in row 39 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 39 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.</p>	0	0
54	<p><b>Insignificant LAC investments in Tier 2 capital instruments issued by, and non-capital LAC Liabilities of, financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold)</b></p> <p><u>Explanation</u> The effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as CET1 capital instruments for the purpose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will mean the headroom within the threshold available for the exemption from capital deduction of other insignificant LAC investments in Tier 2 capital instruments and non-capital LAC liabilities may be smaller. Therefore, the amount to be deducted as reported in row 54 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 54 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.</p>	0	0
<p>Remarks:</p> <p>The amount of the 10% threshold and 5% threshold mentioned above is calculated based on the amount of CET1 capital determined in accordance with the deduction methods set out in BCR Schedule 4F. The 15% threshold is referring to paragraph 88 of the Basel III text issued by the Basel Committee (December 2010) and has no effect to the Hong Kong regime.</p>			

**Abbreviations:**

CET1: Common Equity Tier 1

AT1: Additional Tier 1


**Template CC2 : Reconciliation of regulatory capital to balance sheet**

Balance Sheet Reconciliation	Balance sheet as in published unaudited financial statements	Under regulatory scope of consolidation	Cross reference to Definition of Capital Components
	as at 30/6/2021	as at 30/6/2021	
	HK\$ '000	HK\$ '000	
<b>ASSETS</b>			
Cash and cash equivalents	277,045	267,908	
<i>of which : collective impairment allowances reflected in regulatory capital</i>		(7)	(1)
Placements with banks and other financial institutions maturing between one and twelve months	57,905	33,383	
<i>of which : collective impairment allowances reflected in regulatory capital</i>		(7)	(2)
Derivative financial instruments	224	224	
Advances and other accounts	1,162,967	1,159,999	
<i>of which : collective impairment allowances reflected in regulatory capital</i>		(11)	(3)
Trade bills	653	653	
Investment in a subsidiary	0	1,000	
Investment property	78,500	78,500	
<i>of which : cumulative revaluation gains on land and buildings</i>		52,055	(4)
Property and equipment	25,363	25,363	
<b>Total assets</b>	<b>1,602,657</b>	<b>1,567,030</b>	
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Deposits and balances of banks and other financial institutions	22,164	22,164	
Deposits from customers	999,063	999,063	
Derivative financial instruments	160	160	
Other accounts and provisions	13,830	5,645	
Current tax liabilities	1,399	1,042	
Deferred tax liabilities	1,412	1,412	
<b>Total liabilities</b>	<b>1,038,028</b>	<b>1,029,486</b>	
<b>EQUITY</b>			
Share capital	185,700	185,700	
<i>of which : fully paid up share capital</i>		124,209	(5)
<i>partly paid up share capital</i>		40,791	(6)
<i>non-cumulative and non-redeemable preference shares</i>		20,700	(7)
Reserves	378,929	351,844	
<i>of which : retained earnings</i>		330,767	(8)
<i>unaudited profit of the current financial year</i>		8,578	(9)
<i>collective impairment reserve</i>		5,499	(10)
<i>general reserve</i>		7,000	(11)
Total equity	564,629	537,544	
<b>Total liabilities and equity</b>	<b>1,602,657</b>	<b>1,567,030</b>	

30 June 2021

**Table CCA : Main features of regulatory capital instruments**

Main Features Template			
1	Issuer	Allied Banking Corporation (HK) Limited	Allied Banking Corporation (HK) Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA
3	Governing law(s) of the instrument	Hong Kong Law	Hong Kong Law
<i>Regulatory treatment</i>			
4	Transitional Basel III rules <sup>#</sup>	NA	NA
5	Post-transitional Basel III rules <sup>+</sup>	NA	NA
6	Eligible at solo*/group/group & solo	Solo*	Solo*
7	Instrument type (types to be specified by each jurisdiction)	Ordinary Shares	Non-cumulative and Non-redeemable Preference Shares
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	[HK\$ in million] [HK\$165million]	[HK\$ in million] [HK\$2.07million]
9	Par value of instrument	[12,420,925 ordinary shares of HK\$10 each fully paid] [6,500,000 ordinary shares of HK\$10 each with HK\$6.2755 each paid up]	[2,070,000 5% non-cumulative and non-redeemable preference shares of HK\$10 each]
10	Accounting classification	Shareholders' equity	Shareholders' equity
11	Original date of issuance	[1 ordinary shares - 9 October 1978] [10,835,924 ordinary shares - 28 September 1978] [8,085,000 ordinary shares - 22 July 1986]	[2,070,000 non-cumulative and non-redeemable preference shares - 22 July 1986]
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	no maturity	no maturity
14	Issuer call subject to prior supervisory approval	NA	NA
15	Optional call date, contingent call dates and redemption amount	NA	NA
16	Subsequent call dates, if applicable	NA	NA
<i>Coupons / dividends</i>			
17	Fixed or floating dividend/coupon	NA	Fixed
18	Coupon rate and any related index	NA	5% on non-cumulative and non-redeemable preference shares
19	Existence of a dividend stopper	No	Yes
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory
21	Existence of step up or other incentive to redeem	NA	NA
22	Noncumulative or cumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	NA	NA
25	If convertible, fully or partially	NA	NA
26	If convertible, conversion rate	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA
30	Write-down feature	No	No
31	If write-down, write-down trigger(s)	NA	NA
32	If write-down, full or partial	NA	NA
33	If write-down, permanent or temporary	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	NA	NA
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	NA	NA

**Footnote:**
<sup>#</sup> Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

<sup>+</sup> Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

<sup>\*</sup> Include solo-consolidated

**Template CCyB1 : Geographical distribution of credit exposures used in countercyclical capital buffer ("CCyB")**

The following table presents the geographical breakdown of risk-weighted amounts (RWA) in relation to private sector credit exposures as at 30 June 2021

		a	b	c	d
	<b>Geographical breakdown by Jurisdiction (J)</b>	<b>Applicable JCCyB ratio in effect</b>	<b>RWA used in computation of CCyB ratio</b>	<b>AI-specific CCyB ratio</b>	<b>CCyB amount</b>
		<b>%</b>	<b>HK\$ '000</b>	<b>%</b>	<b>HK\$ '000</b>
1	Hong Kong SAR	1.000%	1,114,617		
	Sum of above		1,114,617		
	<b>Total</b>		<b>1,114,617</b>	<b>1.000%</b>	<b>11,146</b>



# ALLIED BANKING CORPORATION (HONG KONG) LIMITED

As at 30 June 2021

## Template LR1 : Summary comparison of accounting assets against Leverage Ratio ("LR") exposure measure

	Item	Value under Leverage Ratio framework HK\$ '000
1	Total consolidated assets as per published financial statements	1,602,657
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(35,627)
2a	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	0
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting standard but excluded from the leverage ratio exposure measure	0
3a	Adjustments for eligible cash pooling transactions	0
4	Adjustments for derivative contracts	24,888
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	0
6	Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures)	7,582
6a	Adjustment for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from exposure measure	25
7	Other adjustments	(52,055)
8	<b>Leverage ratio exposure measure</b>	<b>1,547,470</b>

**Template LR2 : Leverage ratio ("LR")**
**30 June 2021**

		<b>Leverage Ratio framework (HK\$ '000)</b>	
		<b>As at 30 Jun 2021</b>	<b>As at 31 Mar 2021</b>
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding those arising from derivatives contracts and SFTs, but including collateral)	1,566,831	1,570,130
2	Less: Asset amounts deducted in determining Tier 1 capital	(52,055)	0
3	<b>Total on-balance sheet exposures (excluding derivatives contracts and SFTs)</b>	<b>1,514,776</b>	<b>1,570,130</b>
<b>Exposures arising from derivative contracts</b>			
4	Replacement cost associated with all derivatives contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	311	0
5	Add-on amounts for PFE associated with all derivatives contracts	24,801	5,319
6	Gross-up for collateral provided in respect of derivatives contracts where deducted from the balance sheet assets pursuant to the applicable accounting framework	0	0
7	Less: Deductions of receivables assets for cash variation margin provided under derivatives contracts	0	0
8	Less: Exempted CCP leg of client-cleared trade exposures	0	0
9	Adjusted effective notional amount of written credit-related derivatives contracts	0	0
10	Less: Adjusted effective notional offsets and add-on deductions for written credit-related derivatives contracts	0	0
11	<b>Total exposures arising from derivative contracts</b>	<b>25,112</b>	<b>5,319</b>
<b>Exposures arising from securities financing transactions (SFTs)</b>			
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	0	0
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	0	0
14	CCR exposure for SFT assets	0	0
15	Agent transaction exposures	0	0
16	<b>Total exposures arising from SFTs</b>	<b>0</b>	<b>0</b>
<b>Other off-balance sheet exposures</b>			
17	Off-balance sheet exposure at gross notional amount	73,118	145,365
18	Less: Adjustments for conversion to credit equivalent amounts	(65,536)	(130,535)
19	<b>Off-balance sheet items</b>	<b>7,582</b>	<b>14,830</b>
<b>Capital and total exposures</b>			
20	<b>Tier 1 capital</b>	<b>461,360</b>	<b>456,972</b>
20a	<b>Total exposures before adjustments for specific and collective provisions</b>	<b>1,547,470</b>	<b>1,590,279</b>
20b	<b>Adjustments for specific and collective provisions</b>	<b>0</b>	<b>0</b>
21	<b>Total exposures after adjustments for specific and collective provisions</b>	<b>1,547,470</b>	<b>1,590,279</b>
<b>Leverage ratio</b>			
22	<b>Leverage ratio</b>	<b>29.81%</b>	<b>28.74%</b>



**Template CR1: Credit quality of exposures**

The table below provides an overview of the credit quality of on- and off-balance sheet exposures as at 30 June 2021

		( a )	( b )	( c )	( d )	( e )	( f )	( g )
(HK\$ '000)		Gross carrying amounts of		Allowances / impairments	of which ECL accounting provisions for credit losses on STC approach exposures		of which ECL accounting provisions for credit losses on IRB approach exposures	Net values ( a+b-c )
		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of specific provisions	Allocated in regulatory category of collective provisions		
1	Loans	17,270	1,133,020	14	0	0	0	1,150,276
2	Debt securities	0	0	0	0	0	0	0
3	Off-balance sheet exposures	0	73,118	0	0	0	0	73,118
<b>4</b>	<b>Total</b>	<b>17,270</b>	<b>1,206,138</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,223,394</b>

**Template CR2: Changes in defaulted loans and debt securities**

The table below provides information on the changes in defaulted loans and debt securities, including any changes in the amount of defaulted exposures, movements between non-defaulted and defaulted exposures, and reductions in the defaulted exposures due to write-offs as at 30 June 2021 and 31 December 2020 respectively:

(HK\$ '000)		(a)
		Amount
<b>1</b>	<b>Defaulted loans and debt securities at end of the previous reporting period (31 December 2020)</b>	<b>27,194</b>
2	Loans and debt securities that have defaulted since the last reporting period	9
3	Returned to non-defaulted status	0
4	Amounts written off	0
5	Other changes *	(9,933)
<b>6</b>	<b>Defaulted loans and debt securities at end of the current reporting period (30 June 2021)</b>	<b>17,270</b>

\* Other changes include loan repayment

**Template CR3: Overview of recognized credit risk mitigation**

The following table presents the extent of credit risk exposures covered by different types of recognized CRM as at 30 June 2021 :

(HK\$ '000)		(a)	(b1)	(b)	(d)	(f)
		Exposures unsecured : carrying amount	Exposures to be secured	Exposures secured by recognized collateral	Exposures secured by recognized guarantees	Exposures secured by recognized credit derivative contracts
1	Loans	1,148,698	1,577	1,577	0	0
2	Debt securities	0	0	0	0	0
<b>3</b>	<b>Total</b>	<b>1,148,698</b>	<b>1,577</b>	<b>1,577</b>	<b>0</b>	<b>0</b>
4	of which defaulted	17,270	0	0	0	0

**Template CR4: Credit risk exposures and effects of recognized credit risk mitigation - for BSC approach**

The following table illustrates the effect of any recognized credit risk mitigation (including recognized collateral based on the comprehensive approach or the simple approach or both) on the calculation of credit risk capital requirements under BSC approach as at 30 June 2021 :

	Exposure Classes	(a)	(b)	(c)	(d)	(e)	(f)
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount (HK\$ '000)	Off-balance sheet amount (HK\$ '000)	On-balance sheet amount (HK\$ '000)	Off-balance sheet amount (HK\$ '000)	RWA (HK\$ '000)	RWA density %
1	Sovereign exposures	0	0	0	0	0	0.00%
2	PSE exposures	0	0	0	0	0	0.00%
3	Multilateral development bank exposures	0	0	0	0	0	0.00%
4	Bank exposures	301,962	0	301,962	0	60,393	20.00%
5	Cash items	0	0	1,585	0	0	0.00%
6	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	0	0	0	0	0	0.00%
7	Residential mortgage loans	150,293	0	150,293	0	108,459	72.17%
8	Other exposures	1,114,576	73,118	1,112,991	300	1,112,991	99.97%
9	Significant exposures to commercial entities	0	0	0	0	0	0.00%
<b>10</b>	<b>Total</b>	<b>1,566,831</b>	<b>73,118</b>	<b>1,566,831</b>	<b>300</b>	<b>1,281,843</b>	<b>81.80%</b>

**Template CR5 : Credit risk exposures by asset classes and by risk weights - for BSC approach**

The following table presents a breakdown of credit risk exposures under BSC approach by asset classes and by risk weights as at 30 June 2021 :

	(HK\$ '000)	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	Risk Weight									Total credit risk exposures amount (post CCF and post CRM)
	Exposure class	0%	10%	20%	35%	50%	100%	250%	Others	
1	Sovereign exposures	0	0	0	0	0	0	0	0	0
2	PSE exposures	0	0	0	0	0	0	0	0	0
3	Multilateral development bank exposures	0	0	0	0	0	0	0	0	0
4	Bank exposures	0	0	301,962	0	0	0	0	0	301,962
5	Cash items	1,585	0	0	0	0	0	0	0	1,585
6	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	0	0	0	0	0	0	0	0	0
7	Residential mortgage loans	0	0	0	0	83,668	66,625	0	0	150,293
8	Other exposures	300	0	0	0	0	1,112,991	0	0	1,113,291
9	Significant exposures to commercial entities	0	0	0	0	0	0	0	0	0
<b>10</b>	<b>Total</b>	<b>1,885</b>	<b>0</b>	<b>301,962</b>	<b>0</b>	<b>83,668</b>	<b>1,179,616</b>	<b>0</b>	<b>0</b>	<b>1,567,131</b>

**Template CCR1: Analysis of counterparty default risk exposures (other than those to CCPs) by approaches**

The following table presents a comprehensive breakdown of counterparty default risk exposures (other than those to CCPs), RWAs, and , where applicable, main parameters under the approaches used to calculate default risk exposures in respect of derivative contracts and SFTs as at 30 June 2021 :

		(a)	(b)	(c)	(d)	(e)	(f)
		Replacement cost (RC) (HK\$ '000)	PFE (HK\$ '000)	Effective EPE (HK\$ '000)	Alpha used for computing default risk exposure	Default risk exposure after CRM (HK\$ '000)	RWA (HK\$ '000)
1	SA-CCR approach (for derivative contracts)	0	0		1.4	0	0
1a	CEM (for derivative contracts)	222	17,715		1.4	25,112	5,022
2	IMM (CCR) Approach			0	0	0	0
3	Simple Approach (for SFTs)					0	0
4	Comprehensive Approach (for SFTs)					0	0
5	VaR (for SFTs)					0	0
<b>6</b>	<b>Total</b>						<b>5,022</b>





# ALLIED BANKING CORPORATION (HONG KONG) LIMITED

## Template CCR2: CVA capital charge

		At 30 June 2021	
		(a)	(b)
(HK\$ '000)		EAD post CRM	RWA
	Netting sets for which CVA capital charge is calculated by the advanced CVA method	0	0
1	(i) vaR (after application of multiplication factor if applicable)		0
2	(ii) Stressed vaR (after application of multiplication factor if applicable)		0
3	Netting sets for which CVA capital charge is calculated by the standardized CVA method	0	0
4	<b>Total</b>	<b>0</b>	<b>0</b>

**Template CCR3: Counterparty default risk exposures (other than those to CCPs) by asset classes and by risk weights - for BSC approach**

The following table presents a breakdown of default risk exposures as at 30 June 2021, other than those to CCPs, in respect of derivative contracts and SFTs that are subject to the BSC approach, by asset classes and risk-weights, irrespective of the approach used to determine the amount of default risk exposures:

	(HK\$ '000)	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	Risk Weight									Total default risk exposure after CRM
	Exposure class	0%	10%	20%	35%	50%	100%	250%	Others	
1	Sovereign exposures	0	0	0	0	0	0	0	0	0
2	PSE exposures	0	0	0	0	0	0	0	0	0
3	Multilateral development bank exposures	0	0	0	0	0	0	0	0	0
4	Bank exposures	0	0	25,112	0	0	0	0	0	25,112
5	CIS exposures	0	0	0	0	0	0	0	0	0
6	Other exposures	0	0	0	0	0	0	0	0	0
7	Significant exposures to commercial entities	0	0	0	0	0	0	0	0	0
<b>8</b>	<b>Total</b>	<b>0</b>	<b>0</b>	<b>25,112</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,112</b>

**Template CCR5: Composition of collateral for counterparty default risk exposures (including those for contracts or transactions cleared through CCPs)**

(HK\$ '000)	At 30 June 2021					
	(a)	(b)	(c)	(d)	(e)	(f)
	Derivative contracts				SFTs	
	Fair value of recognized collateral received		Fair value of posted collateral		Fair value of recognized collateral received	Fair value of posted collateral
Segregated	Unsegregated	Segregated	Unsegregated			
Cash	0	0	0	0	0	0
Debt securities	0	0	0	0	0	0
Equity securities	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Template CCR6: Credit-related derivatives contracts**

(HK\$ '000)	At 30 June 2021	
	(a)	(b)
	Protection bought	Protection sold
<b>Notional amounts</b>		
Single-name credit default swaps	0	0
Index credit default saps	0	0
Total return swaps	0	0
Credit-related options	0	0
Other credit-related derivative contracts	0	0
<b>Total notional amounts</b>	<b>0</b>	<b>0</b>
<b>Fair values</b>		
Positive fair value (asset)	0	0
Negative fair value (liability)	0	0

**Template CCR8: Exposures to CCPs**

(HK\$ '000)		At 30 June 2021	
		(a)	(b)
		Exposure after CRM	RWA
<b>1</b>	<b>Exposures of the AI as clearing member or client to qualifying CCPs (total)</b>		0
2	Default risk exposures to qualifying CCPs (excluding items disclosed in rows 7 to 10), of which:	0	0
3	(i) OTC derivative transactions	0	0
4	(ii) Exchange-traded derivative contracts	0	0
5	(iii) Securities financing transactions	0	0
6	(iv) Netting sets subject to valid cross-product netting agreements	0	0
7	Segregated initial margin	0	
8	Unsegregated initial margin	0	0
9	Funded default fund contributions	0	0
10	Unfunded default fund contributions	0	0
<b>11</b>	<b>Exposures of the AI as clearing member or client to non-qualifying CCPs (total)</b>		0
12	Default risk exposures to non-qualifying CCPs (excluding items disclosed in rows 17 to 20), of which:	0	0
13	(i) OTC derivative transactions	0	0
14	(ii) Exchange-traded derivative contracts	0	0
15	(iii) Securities financing transactions	0	0
16	(iv) Netting sets subject to valid cross-product netting agreements	0	0
17	Segregated initial margin	0	
18	Unsegregated initial margin	0	0
19	Funded default fund contributions	0	0
20	Unfunded default fund contributions	0	0

**Template MR1: Market risk under Standardized (market risk) approach (STM approach)**

The table below provides the components of the market risk capital requirements calculated using the STM approach exposures as at 30 June 2021 :

	(HK\$ '000)	(a) RWA
	Outright product exposures	
1	Interest rate exposures (general and specific risk)	15,938
2	Equity exposures (general and specific risk)	0
3	Foreign exchange (including gold) exposures	1,087
4	Commodity exposures	0
	Option exposures	
5	Simplified approach	0
6	Delta-plus approach	0
7	Other approach	0
8	Securitization exposures	0
<b>9</b>	<b>Total</b>	<b>17,025</b>



**Glossary**

<u>Abbreviations</u>	<u>Descriptions</u>
AT1	Additional Tier 1
BSC	Basic Approach
CCF	Credit Conversion Factor
CCP	Central Counterparty
CCR	Counterparty Credit Risk
CCyB	Countercyclical Capital Buffer
CEM	Current Exposure Method
CET1	Common Equity Tier 1
CIS	Collective Investment Scheme
CRM	Credit Risk Mitigation
CVA	Credit Valuation Adjustment
EPE	Expected Positive Exposure
IMM	Internal Models Method
IRB	Internal Ratings-Based
JCCyB	Jurisdictional countercyclical Capital Buffer
LMR	Liquidity Maintenance Ratio
PFE	Potential Future Exposure
PSE	Public Sector Entity
RWA	Risk Weighted Asset
SA-CCR	Standardized Approach (Counterparty Credit Risk)
SEC-IRBA	Securitization Internal Ratings-based Approach
SEC-ERBA	Securitization External Ratings-Based Approach
SEC-SA	Securitization Standardized Approach
SFT	Securities Financing Transaction
STC	Standardized (Credit Risk)
STM	Standardized (Market Risk)
STO	Standardized (Operational Risk)
VaR	Value-At-Risk