

ALLIED BANKING CORPORATION (HONG KONG) LIMITED

Pillar 3 Regulatory Disclosures

**For the six months ended
30 June 2023**

(Unaudited)

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REGULATORY DISCLOSURES
Template KM1 : Key Prudential Ratios
30 June 2023

(HK\$ '000)		30-Jun-23	31-Mar-23	31-Dec-22	30-Sep-22	30-Jun-22
	Regulatory capital (amount)					
1	Common equity Tier 1 (CET1)	496,075	490,887	487,286	481,283	476,094
2	Tier 1	496,075	490,887	487,286	481,283	476,094
3	Total capital	523,457	518,257	514,649	510,014	504,825
	RWA (amount)					
4	Total RWA	1,300,171	1,295,657	1,254,128	1,273,990	1,300,093
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5	CET1 ratio (%)	38.15%	37.89%	38.85%	37.78%	36.62%
6	Tier 1 ratio (%)	38.15%	37.89%	38.85%	37.78%	36.62%
7	Total capital ratio (%)	40.26%	40.00%	41.04%	40.03%	38.83%
	Additional CET1 buffer requirements (as a percentage of RWA)					
8	Capital conservation buffer requirement (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical capital buffer requirement (%)	1.00%	1.00%	1.00%	1.00%	1.00%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBS or D-SIBs)	-	-	-	-	-
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 (%)	29.82%	29.82%	29.47%	37.53%	26.33%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure	1,502,846	1,514,197	1,567,109	1,584,455	1,609,138
14	LR (%)	33.01%	32.42%	31.09%	30.38%	29.59%
	Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)					
	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 (%)	132.79%	140.62%	116.15%	117.20%	120.11%
	Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)					
	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 2023 and 31 March 2023 respectively:

		(HK\$ '000)		
		(a)	(b)	(c)
		RWA		Minimum capital requirements
		June 2023	March 2023	June 2023
1	Credit risk for non-securitization exposures	1,202,394	1,173,349	150,299
2	Of which STC approach	-	-	-
2a	Of which BSC approach	1,202,394	1,173,349	150,299
3	Of which foundation IRB approach	-	-	-
4	Of which supervisory slotting criteria approach	-	-	-
5	Of which advanced IRB approach	-	-	-
6	Counterparty default risk and default fund contributions	4,000	4,170	500
7	Of which SA-CCR approach	NA	NA	NA
7a	Of which CEM	4,000	4,170	500
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	-	-	-
10	CVA risk	-	-	-
11	Equity positions in banking book under the simple risk-weight method and internal models method	-	-	-
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	-	-	-
16	Securitization exposures in banking book	-	-	-
17	Of which SEC-IRBA	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA	-	-	-
19a	Of which SEC-FBA	-	-	-
20	Market risk	15,800	15,713	1,975
21	Of which STM approach	15,800	15,713	1,975
22	Of which IMM approach	-	-	-
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	104,025	102,425	13,003
24a	Sovereign concentration risk	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% RW)	-	-	-
26	Capital floor adjustment	-	-	-
26a	Deduction to RWA	26,705	26,705	3,338
26b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	-	-	-
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	26,705	26,705	3,338
27	Total	1,299,514	1,268,952	162,439

Template CC1 : Composition of regulatory capital
As at 30 June 2023

		Amount (HK\$ '000)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	CET1 capital: instruments and reserves		
1	Directly issued qualifying CET1 capital instruments plus any related share premium	165,000	(5) + (6)
2	Retained earnings	372,630	(7) + (8)
3	Disclosed reserves	7,000	(10)
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)	-	
6	CET1 capital before regulatory adjustments	544,630	
	CET1 capital: regulatory deductions		
7	Valuation adjustments	-	
8	Goodwill (net of associated deferred tax liabilities)	-	
9	Other intangible assets (net of associated deferred tax liabilities)	-	
10	Deferred tax assets (net of associated deferred tax liabilities)	-	
11	Cash flow hedge reserve	-	
12	Excess of total EL amount over total eligible provisions under the IRB approach	-	
13	Gain-enhancing interest-only strip, and any gain-on-sale and other increase in the CET1 capital arising from securitization transactions	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	-	
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in CET1 capital instruments	-	
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)	-	
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)	-	
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	48,555	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	48,555	(4)
26b	Regulatory reserve for general banking risks	-	
26c	Securitization exposures specified in a notice given by the MA	-	
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	-	
26e	Capital shortfall of regulated non-bank subsidiaries	-	
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	-	
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	-	
28	Total regulatory deductions to CET1 capital	48,555	
29	CET1 capital	496,075	
	AT1 capital: instruments		
30	Qualifying AT1 capital instruments plus any related share premium	-	
31	of which: classified as equity under applicable accounting standards	-	
32	of which: classified as liabilities under applicable accounting standards	-	
33	<i>Capital instruments subject to phase out arrangements from AT1 capital</i>	-	
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	-	
35	<i>of which: AT1 capital instruments issued by subsidiaries subject to phase out arrangements</i>	-	
36	AT1 capital before regulatory deductions	-	

As at 30 June 2023

		Amount (HK\$ '000)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
AT1 capital: regulatory deductions			
37	Investments in own AT1 capital instruments	-	
38	Reciprocal cross-holdings in AT1 capital instruments	-	
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)	-	
40	Significant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-	
41	National specific regulatory adjustments applied to AT1 capital	-	
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	-	
43	Total regulatory deductions to AT1 capital	-	
44	AT1 capital	-	
45	Tier 1 capital (T1 = CET1 + AT1)	496,075	
Tier 2 capital: instruments and provisions			
46	Qualifying Tier 2 capital instruments plus any related share premium	-	
47	<i>Capital instruments subject to phase out arrangements from Tier 2 capital</i>	-	
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)	-	
49	<i>of which: capital instruments issued by subsidiaries subject to phase out arrangements</i>	-	
50	Collective provisions and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	5,532	(1)+(2)+(3)+(9)
51	Tier 2 capital before regulatory deductions	5,532	
Tier 2 capital: regulatory deductions			
52	Investments in own Tier 2 capital instruments	-	
53	Reciprocal cross-holdings in Tier 2 capital instruments and non-capital LAC liabilities	-	
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)	-	
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)	-	
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)	-	
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)	-	
56	National specific regulatory adjustments applied to Tier 2 capital	(21,850)	
56a	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	(21,850)	(4) x 45%
56b	Regulatory deductions applied to Tier 2 capital to cover the required deductions falling within S48(1)(g) of BCR	-	
57	Total regulatory adjustments to Tier 2 capital	(21,850)	
58	Tier 2 capital (T2)	27,382	
59	Total regulatory capital (TC = T1 + T2)	523,457	
60	Total RWA	1,299,514	

As at 30 June 2023

		Amount (HK\$ '000)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Capital ratios (as a percentage of RWA)			
61	CET1 capital ratio	38.1739%	
62	Tier 1 capital ratio	38.1739%	
63	Total capital ratio	40.2810%	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)	3.5000%	
65	<i>of which: capital conservation buffer requirement</i>	2.5000%	
66	<i>of which: bank specific countercyclical buffer requirement</i>	1.0000%	
67	<i>of which: higher loss absorbency requirement</i>	-	
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirement	29.8200%	
National minima (if different from Basel 3 minimum)			
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
Amounts below the thresholds for deduction (before risk weighting)			
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	-	
73	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-	
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
Applicable caps on the inclusion of provisions in Tier 2 capital			
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)	-	
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	-	
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)	-	
79	Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA	-	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)			
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>	-	
83	<i>Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)</i>	-	
84	<i>Current cap on Tier 2 capital instruments subject to phase out arrangements</i>	-	
85	<i>Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)</i>	-	

As at 30 June 2023

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)
	Other intangible assets (net of associated deferred tax liabilities)	-	-
9	<p><u>Explanation</u></p> <p>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.</p>		
	Deferred tax assets (net of associated deferred tax liabilities)	-	-
10	<p><u>Explanation</u></p> <p>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.</p>		
	Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-
18	<p><u>Explanation</u></p> <p>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.</p>		

As at 30 June 2023

	Description	Hong Kong basis (HKS '000)	Basel III basis (HKS '000)
	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-
19	<p><u>Explanation</u></p> <p>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>		
	Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-
39	<p><u>Explanation</u></p> <p>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>		
	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)	-	-
54	<p><u>Explanation</u></p> <p>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>		
<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 30/6/2023	as at 30/6/2023	
	HK\$ '000	HK\$ '000	
ASSETS			
Cash and cash equivalents	264,321	256,788	
<i>of which : collective impairment allowances reflected in regulatory capital</i>		(6)	(1)
Placements with banks and other financial institutions			
maturing between one and twelve months	136,739	101,610	
<i>of which : collective impairment allowances reflected in regulatory capital</i>		(9)	(2)
Derivative financial instruments	1,052	1,052	
Advances and other accounts	1,061,411	1,058,982	
<i>of which : collective impairment allowances reflected in regulatory capital</i>		(20)	(3)
Trade bills	1,669	1,669	
Investment in a subsidiary		1,000	
Investment property	75,000	75,000	
<i>of which : cumulative revaluation gains on land and buildings</i>		48,555	(4)
Property and equipment	23,269	23,269	
Total assets	1,563,461	1,519,370	
LIABILITIES AND EQUITY			
LIABILITIES			
Deposits and balances of banks and other financial institutions	15,242	15,242	
Deposits from customers	920,753	920,753	
Derivative financial instruments	-	-	
Other accounts and provisions	17,586	8,858	
Current tax liabilities	2,575	2,030	
Deferred tax liabilities	1,668	1,668	
Total liabilities	957,824	948,551	
EQUITY			
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	
Reserves	419,937	385,119	
<i>of which : retained earnings</i>		363,841	(7)
<i>unaudited profit of the current financial year</i>		8,779	(8)
<i>collective impairment reserve</i>		5,499	(9)
<i>general reserve</i>		7,000	(10)
Total equity	605,637	570,819	
Total liabilities and equity	1,563,461	1,519,370	

30 June 2023

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 [#]	NA	NA
5	Post-transitional Basel III rules ⁺	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]	NA
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:
[#] Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

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

^{*} 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 2023

		a	b	c	d
	Geographical breakdown by Jurisdiction (J)	Applicable JCCyB ratio in effect	RWA used in computation of CCyB ratio	AI-specific CCyB ratio	CCyB amount
		%	HKS '000	%	HKS '000
1	Hong Kong SAR	1.0000%	1,025,958		
	Sum of above		1,025,958		
	Total		1,025,958	1.0000%	10,260



ALLIED BANKING CORPORATION (HONG KONG) LIMITED

As at 30 June 2023

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	1,563,461
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(44,091)
2a	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting standard but excluded from the leverage ratio exposure measure	-
3a	Adjustments for eligible cash pooling transactions	-
4	Adjustments for derivative contracts	18,951
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-
6	Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures)	9,205
6a	Adjustment for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from exposure measure	35
7	Other adjustments	(48,555)
8	Leverage ratio exposure measure	1,499,006

Template LR2 : Leverage ratio ("LR")

30 June 2023

		Leverage Ratio framework (HK\$ '000)	
		As at 30 Jun 2023	As at 31 Mar 2023
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivatives contracts and SFTs, but including collateral)	1,518,351	1,541,604
2	Less: Asset amounts deducted in determining Tier 1 capital	(48,555)	(48,555)
3	Total on-balance sheet exposures (excluding derivatives contracts and SFTs)	1,469,796	1,493,049
Exposures arising from derivative contracts			
4	Replacement cost associated with all derivatives contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	1,575	2,385
5	Add-on amounts for PFE associated with all derivatives contracts	18,428	18,463
6	Gross-up for collateral provided in respect of derivatives contracts where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
7	Less: Deductions of receivables assets for cash variation margin provided under derivatives contracts	-	-
8	Less: Exempted CCP leg of client-cleared trade exposures	-	-
9	Adjusted effective notional amount of written credit-related derivatives contracts	-	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit-related derivatives contracts	-	-
11	Total exposures arising from derivative contracts	20,003	20,848
Exposures arising from securities financing transactions (SFTs)			
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	-	-
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	-	-
15	Agent transaction exposures	-	-
16	Total exposures arising from SFTs	-	-
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	89,348	84,984
18	Less: Adjustments for conversion to credit equivalent amounts	(80,143)	(76,216)
19	Off-balance sheet items	9,205	8,768
Capital and total exposures			
20	Tier 1 capital	496,075	490,887
20a	Total exposures before adjustments for specific and collective provisions	1,499,004	1,522,665
20b	Adjustments for specific and collective provisions	-	-
21	Total exposures after adjustments for specific and collective provisions	1,499,004	1,522,665
Leverage ratio			
22	Leverage ratio	33.09%	32.24%

Template CRI: 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 2023

(HK\$ '000)		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		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	57,855	987,729	20	-	-	-	1,045,564
2	Debt securities	-	-	-	-	-	-	-
3	Off-balance sheet exposures	-	89,348	-	-	-	-	89,348
4	Total	57,855	1,077,077	20	-	-	-	1,134,912

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 2023 and 31 December 2022 respectively:

(HK\$ '000)		(a)
		Amount
1	Defaulted loans and debt securities at end of the previous reporting period (31 December 2022)	2,298
2	Loans and debt securities that have defaulted since the last reporting period	-
3	Returned to non-defaulted status	-
4	Amounts written off	-
5	Other changes *	55,557
6	Defaulted loans and debt securities at end of the current reporting period (30 June 2023)	57,855

* 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 2023 :

		(a)	(b1)	(b)	(d)	(f)
(HK\$ '000)		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	1,043,447	2,118	2,118	-	-
2	Debt securities	-	-	-	-	-
3	Total	1,043,447	2,118	2,118	-	-
4	of which defaulted	57,855	-	-	-	-

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 2023 :

	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	-	-	-	-	-	-
2	PSE exposures	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-
4	Bank exposures	361,330	-	361,330	-	76,266	21.11%
5	Cash items	-	-	2,118	-	-	-
6	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	-	-	-	-	-	-
7	Residential mortgage loans	49,551	-	49,551	-	24,776	50.00%
8	Other exposures	1,107,470	89,348	1,105,352	300	1,105,352	99.97%
9	Significant exposures to commercial entities	-	-	-	-	-	-
10	Total	1,518,351	89,348	1,518,351	300	1,206,394	79.44%

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 2023 :

	(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	-	-	-	-	-	-	-	-	-
2	PSE exposures	-	-	-	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-	-	-	-
4	Bank exposures	-	-	361,330	-	-	-	-	-	361,330
5	Cash items	2,118	-	-	-	-	-	-	-	2,118
6	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	-	-	-	-	-	-	-	-	-
7	Residential mortgage loans	-	-	-	-	49,551	-	-	-	49,551
8	Other exposures	300	-	-	-	-	1,105,352	-	-	1,105,652
9	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-
10	Total	2,418	-	361,330	-	49,551	1,105,352	-	-	1,518,651

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 2023 :

		(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)	-	-		1.40	-	-
1a	CEM (for derivative contracts)	1,125	13,163		1.40	20,003	4,000
2	IMM (CCR) Approach			-	-	-	-
3	Simple Approach (for SFTs)					-	-
4	Comprehensive Approach (for SFTs)					-	-
5	VaR (for SFTs)					-	-
6	Total						4,000



ALLIED BANKING CORPORATION (HONG KONG) LIMITED

Template CCR2: CVA capital charge

		At 30 June 2023	
		(a)	(b)
(HK\$ '000)		EAD post CRM	RWA
	Netting sets for which CVA capital charge is calculated by the advanced CVA method	-	-
1	(i) vaR (after application of multiplication factor if applicable)		-
2	(ii) Stressed vaR (after application of multiplication factor if applicable)		-
3	Netting sets for which CVA capital charge is calculated by the standardized CVA method	-	-
4	Total	-	-

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 2023, 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	-	-	-	-	-	-	-	-	-
2	PSE exposures	-	-	-	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-	-	-	-
4	Bank exposures	-	-	20,003	-	-	-	-	-	20,003
5	CIS exposures	-	-	-	-	-	-	-	-	-
6	Other exposures	-	-	-	-	-	-	-	-	-
7	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-
8	Total	-	-	20,003	-	-	-	-	-	20,003

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

At 30 June 2023						
(HK\$ '000)	(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	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Total	-	-	-	-	-	-

Template CCR6: Credit-related derivatives contracts

(HK\$ '000)	At 30 June 2023	
	(a)	(b)
	Protection bought	Protection sold
Notional amounts		
Single-name credit default swaps	-	-
Index credit default saps	-	-
Total return swaps	-	-
Credit-related options	-	-
Other credit-related derivative contracts	-	-
Total notional amounts	-	-
Fair values		
Positive fair value (asset)	-	-
Negative fair value (liability)	-	-

Template CCR8: Exposures to CCPs

(HK\$ '000)		At 30 June 2023	
		(a)	(b)
		Exposure after CRM	RWA
1	Exposures of the AI as clearing member or client to qualifying CCPs (total)		-
2	Default risk exposures to qualifying CCPs (excluding items disclosed in rows 7 to 10), of which:	-	-
3	(i) OTC derivative transactions	-	-
4	(ii) Exchange-traded derivative contracts	-	-
5	(iii) Securities financing transactions	-	-
6	(iv) Netting sets subject to valid cross-product netting agreements	-	-
7	Segregated initial margin	-	
8	Unsegregated initial margin	-	-
9	Funded default fund contributions	-	-
10	Unfunded default fund contributions	-	-
11	Exposures of the AI as clearing member or client to non-qualifying CCPs (total)		-
12	Default risk exposures to non-qualifying CCPs (excluding items disclosed in rows 17 to 20), of which:	-	-
13	(i) OTC derivative transactions	-	-
14	(ii) Exchange-traded derivative contracts	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets subject to valid cross-product netting agreements	-	-
17	Segregated initial margin	-	
18	Unsegregated initial margin	-	-
19	Funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

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 2023 :

	(HK\$ '000)	(a) RWA
	Outright product exposures	
1	Interest rate exposures (general and specific risk)	14,675
2	Equity exposures (general and specific risk)	-
3	Foreign exchange (including gold) exposures	1,125
4	Commodity exposures	-
	Option exposures	
5	Simplified approach	-
6	Delta-plus approach	-
7	Other approach	-
8	Securitization exposures	-
9	Total	15,800

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