

2025 Interim Report

The Directors of Allied Banking Corporation (Hong Kong) Limited are pleased to announce the unaudited consolidated results of the company and its subsidiary, ACR Nominees Limited for the period from 1 January 2025 to 30 June 2025 as follows:-

UNAUDITED CONSOLIDATED STATEMENT OF INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	30/6/2025	30/6/2024
	HK\$'000	HK\$'000
Interest income	38,486	42,359
Interest expenses	(8,930)	(10,632)
Net interest income	29,556	31,727
Commission income	801	1,053
Other operating income	9,962	5,408
Operating income	40,319	38,188
Operating expenses	(16,906)	(17,780)
Operating profit before impairment losses	23,413	20,408
Net charge of impairment provision	(5,205)	(17)
Profit before tax	18,208	20,391
Income tax	(2,851)	(3,042)
Profit for the period and total comprehensive income for the period	15,357	17,349

There were no recognised gains or losses other than the net profit / (loss) for the period. There were also no significant changes relating to the activities and profit / (loss) of the company during the relevant period.

ALLIED BANKING CORPORATION (HONG KONG) LIMITED
新聯銀行(香港)有限公司

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	NOTE	30/6/2025 HK\$'000	31/12/2024 HK\$'000
<u>ASSETS</u>			
Cash and cash equivalents		390,927	268,465
Placements with banks and other financial institutions maturing between one and twelve months		191,681	200,695
Derivative financial instruments	6	4,271	109
Advances and other accounts		1,049,711	1,125,568
Investment property		65,000	65,000
Property and equipment		21,396	21,922
Total assets		<u>1,722,986</u>	<u>1,681,759</u>
<u>LIABILITIES AND EQUITY</u>			
<u>LIABILITIES</u>			
Deposits and balances of banks and other financial institutions		12,029	11,988
Deposits from customers		1,031,043	1,004,848
Derivative financial instruments	6	0	317
Other accounts and provisions		18,568	19,979
Current tax liabilities		4,337	2,458
Deferred tax liabilities		1,818	1,818
Total liabilities		<u>1,067,795</u>	<u>1,041,408</u>
<u>EQUITY</u>			
Share capital		185,700	185,700
Reserves		469,491	454,651
Total equity		<u>655,191</u>	<u>640,351</u>
Total liabilities and equity		<u>1,722,986</u>	<u>1,681,759</u>

ALLIED BANKING CORPORATION (HONG KONG) LIMITED
 新聯銀行(香港)有限公司

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Share Capital HK\$'000	Reserves			Total Reserves HK\$'000	Total HK\$'000
		General Reserve HK\$'000	Impairment Reserve HK\$'000	Retained Profits HK\$'000		
At 1 January 2024	185,700	7,000	5,499	415,521	428,020	613,720
Profit for the year	0	0	0	27,666	27,666	27,666
Total comprehensive income for the year	0	0	0	27,666	27,666	27,666
2024 preference shares dividend	0	0	0	(1,035)	(1,035)	(1,035)
At 31 December 2024 and 1 January 2025	185,700	7,000	5,499	442,152	454,651	640,351
Profit for the six months of 2025	0	0	0	15,357	15,357	15,357
Total comprehensive income for the six months of 2025	0	0	0	15,357	15,357	15,357
Preference shares dividend for the six months of 2025	0	0	0	(517)	(517)	(517)
At 30 June 2025	185,700	7,000	5,499	456,992	469,491	655,191

ALLIED BANKING CORPORATION (HONG KONG) LIMITED
新聯銀行(香港)有限公司

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 30 JUNE 2025

	For the six months ended 30 June 2025 HK\$'000	For the six months ended 30 June 2024 HK\$'000
Cash flows from operating activities		
Profit before tax	18,208	20,391
Adjustments for :		
Net charge of impairment provision	5,205	17
Depreciation	527	523
Profit on disposal of property and equipment	0	(25)
	<u>23,940</u>	<u>20,906</u>
Increase in placements with banks and other financial institutions with maturity more than three months when acquired	(47,778)	(20,515)
Decrease in advances and other accounts	70,651	31,422
(Increase) / Decrease in derivative financial instruments	(4,479)	262
Increase / (Decrease) in deposits and balances of banks and other financial institutions	40	(2,596)
Increase / (Decrease) in deposits from customers	26,196	(20,111)
Decrease in other accounts and payables	<u>(1,411)</u>	<u>(3,204)</u>
	67,159	6,164
Hong Kong profits tax paid	<u>(972)</u>	<u>(898)</u>
NET CASH FLOWS USED IN OPERATING ACTIVITIES	<u>66,187</u>	<u>5,266</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of items of property and equipment	0	(137)
Proceeds from disposal of items of property and equipment	0	25
NET CASH FLOWS USED IN INVESTING ACTIVITIES	<u>0</u>	<u>(112)</u>
 CASH FLOWS FROM FINANCING ACTIVITY		
Dividends paid to preference shareholders	<u>(517)</u>	<u>(517)</u>
NET CASH FLOWS USED IN FINANCING ACTIVITIES	<u>(517)</u>	<u>(517)</u>
 NET DECREASE IN CASH AND CASH EQUIVALENTS	65,670	4,637
Cash and cash equivalents at beginning of year	<u>432,698</u>	<u>408,624</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>498,368</u></u>	<u><u>413,261</u></u>
 ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	390,934	303,316
Placements with banks and other financial institutions repayable within three months when acquired	<u>107,434</u>	<u>109,945</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>498,368</u></u>	<u><u>413,261</u></u>

ALLIED BANKING CORPORATION (HONG KONG) LIMITED
新聯銀行(香港)有限公司

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

1. ADVANCES AND OTHER ACCOUNTS

	THE COMPANY	
	30/6/2025	31/12/2024
	HK\$'000	HK\$'000
Advances to customers	1,037,931	1,109,735
Allowance for impairment losses	(5,567)	(87)
	1,032,364	1,109,648
Other accounts	14,688	13,955
	1,047,052	1,123,603

Other accounts include HK\$14,688,360 (2024: HK\$13,955,482) of financial assets which were measured at amortised cost.

ADVANCES TO CUSTOMERS

An analysis of changes in the gross amount of advances to customers is as follows:

	THE COMPANY			
	30/6/2025			
	Stage 1	Stage 2	Stage 3	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Gross advances as at 1 January 2025	936,242	79,787	93,706	1,109,735
New loans/financing originated or purchased	121,821	502	524	122,847
Loans/financing derecognized or repaid	(178,133)	(1,285)	(15,507)	(194,925)
Transfers to Stage 1	15,728	(15,728)	0	0
Transfers to Stage 2	(4,164)	4,164	0	0
Transfers to Stage 3	(4,904)	(63,276)	68,180	0
Total transfer between stages	6,660	(74,840)	68,180	0
Recoveries	0	0	274	274
Written off	0	0	0	0
Gross advances as at 30 June 2025	886,590	4,164	147,177	1,037,931

	THE COMPANY			
	31/12/2024			
	Stage 1	Stage 2	Stage 3	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Gross advances as at 1 January 2024	1,113,546	1,051	0	1,114,597
New loans/financing originated or purchased	276,372	26	0	276,398
Loans/financing derecognized or repaid	(280,183)	(1,077)	0	(281,260)
Transfers to Stage 1	0	0	0	0
Transfers to Stage 2	(79,787)	79,787	0	0
Transfers to Stage 3	(93,706)	0	93,706	0
Total transfer between stages	(173,493)	79,787	93,706	0
Recoveries	0	0	0	0
Written off	0	0	0	0
Gross advances as at 31 December 2024	936,242	79,787	93,706	1,109,735

ALLIED BANKING CORPORATION (HONG KONG) LIMITED

新聯銀行(香港)有限公司

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (continued)

1. ADVANCES AND OTHER ACCOUNTS (continued)

ADVANCES TO CUSTOMERS (continued)

	THE COMPANY		THE COMPANY	
	30/6/2025	31/12/2024	30/6/2025	31/12/2024
	HK\$'000	HK\$'000	% of total advances to customers	% of total advances to customers
Loans for use in the following regions or countries				
Hong Kong	987,665	1,024,754	95.15%	92.34%
Vietnam	0	29,981	0.00%	2.70%
Thailand	12,000	12,000	1.16%	1.08%
China	38,266	43,000	3.69%	3.88%
	<u>1,037,931</u>	<u>1,109,735</u>	<u>100.00%</u>	<u>100.00%</u>

IMPAIRED ASSETS

	THE COMPANY		THE COMPANY	
	30/6/2025	31/12/2024	30/6/2025	31/12/2024
	HK\$'000	HK\$'000	% of total advances to customers	% of total advances to customers
<u>Loans for use in Hong Kong</u>				
Gross amount of impaired loans	147,177	93,706	14.18%	8.44%
Impairment allowance made in respect of such advances - Stage 3	<u>(5,424)</u>	<u>0</u>		
	<u>141,753</u>	<u>93,706</u>		
<u>Loans for use in People's Republic of China</u>				
Gross amount of impaired loans	0	0	0.00%	0.00%
Impairment allowances made in respect of such advances - Stage 3	<u>0</u>	<u>0</u>		
	<u>0</u>	<u>0</u>		
<u>Total impaired assets</u>				
Gross amount of impaired loans	147,177	93,706	14.18%	8.44%
Impairment allowance made in respect of such advances - Stage 3	<u>(5,424)</u>	<u>0</u>		
	<u>141,753</u>	<u>93,706</u>		
Fair value of collateral	<u>172,882</u>	<u>109,169</u>		

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (continued)

1. ADVANCES AND OTHER ACCOUNTS (continued)

OVERDUE AND RESCHEDULED ASSETS

OVERDUE ADVANCES

	THE COMPANY		THE COMPANY	
	30/6/2025	31/12/2024	30/6/2025	31/12/2024
	HK\$'000	HK\$'000	% of total advances to customers	% of total advances to customers
<u>Loans for use in Hong Kong</u>				
Gross amount of advances which have been overdue for:				
Six months or less but over three months	2,949	16,800	0.28%	1.52%
One year or less but over six months	57,673	23,025	5.56%	2.08%
Over one year	85,642	76,109	8.25%	6.87%
	<u>146,264</u>	<u>115,934</u>		
<u>Loans for use in China</u>				
Gross amount of advances which have been overdue for:				
Six months or less but over three months	0	0	0.00%	0.00%
One year or less but over six months	0	0	0.00%	0.00%
Over one year	0	0	0.00%	0.00%
	<u>0</u>	<u>0</u>		
Total overdue advances	<u>146,264</u>	<u>115,934</u>		
Individual impairment allowance made in respect of the overdue advances	<u>5,424</u>	<u>0</u>		

The value of collateral held in respect of the overdue loans and advances and the split between the portion of the overdue loans and advances covered by credit protection (covered portion) and the remaining portion (uncovered portion) are as follows:

	THE COMPANY	
	30/6/2025	31/12/2024
	HK\$'000	HK\$'000
Fair value of collaterals held against the above overdue loans and advances	<u>168,861</u>	<u>120,050</u>
Covered portion of the above overdue loans and advances	<u>146,264</u>	<u>115,934</u>
Uncovered portion of the above overdue loans and advances	<u>0</u>	<u>0</u>

1. ADVANCES AND OTHER ACCOUNTS (continued)

RESCHEDULED ADVANCES

No advances to customers, banks and other financial institutions were rescheduled as at 30 June 2025 (31 December 2024 : Nil).

The analysis of overdue advances and impaired advances is as follows:

	THE COMPANY	
	30/6/2025 HK\$'000	31/12/2024 HK\$'000
Advances to customers overdue for more than 3 months	146,264	115,934
Rescheduled advances to customers	0	0
	146,264	115,934
Add: Impaired advances and impaired advances which are not overdue or rescheduled	0	0
Advances which are overdue less than 3 months but not impaired	3,723	41,627
Total overdue advances and impaired advances	149,987	157,561

ADVANCES TO BANKS AND OTHER FINANCIAL INSTITUTIONS

There are no individually impaired and overdue loans and advances to banks and other financial institutions at at 30 June 2025 and 31 December 2024.

NON-BANK MAINLAND CHINA EXPOSURES

The following table illustrates the disclosure required to be made in respect of the Company's Mainland exposures to non-bank counterparties :

	THE COMPANY			
	30/6/2025			
	On-balance sheet exposure HK\$'000	Off- balance sheet exposure HK\$'000	Total exposure HK\$'000	Individual impairment allowance HK\$'000
<u>Type of counterparties</u>				
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	38,200	0	38,200	0
Total	38,200	0	38,200	0
Total assets after provision	1,669,632			
On-balance sheet exposures as percentage of total assets	2.29%			

1. ADVANCES AND OTHER ACCOUNTS (continued)

NON-BANK MAINLAND CHINA EXPOSURES

	THE COMPANY			
	31/12/2024			
	On-balance sheet exposure HK\$'000	Off- balance sheet exposure HK\$'000	Total exposure HK\$'000	Individual impairment allowance HK\$'000
<u>Type of counterparties</u>				
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	43,136	0	43,136	0
	43,136	0	43,136	0
Total assets after provision	1,633,752			
On-balance sheet exposures as percentage of total assets	2.64%			

2. CASH AND CASH EQUIVALENTS

This account consists of the following:

	THE COMPANY	
	30/6/2025	31/12/2024
	HK\$'000	HK\$'000
Cash and bank balances	167,379	70,468
Money at call and short notice	217,152	195,046
	384,531	265,514
Less: allowance for impairment losses	7	7
Cash and cash equivalents	384,524	265,507

An analysis of changes in the ECL allowances for money at call and short notice:

	THE COMPANY			
	30/6/2025			
	Stage 1	Stage 2	Stage 3	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance as of 1 January 2025	7	0	0	7
Assets derecognized or repaid during the year	0	0	0	0
Balance as of 30 June 2025	7	0	0	7

	THE COMPANY			
	31/12/2024			
	Stage 1	Stage 2	Stage 3	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance as of 1 January 2024	7	0	0	7
Assets derecognized or repaid during the year	0	0	0	0
Balance as of 31 December 2024	7	0	0	7

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (continued)

3. PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS MATURING BETWEEN ONE AND TWELVE MONTHS

This account consists of the following:

	THE COMPANY	
	30/6/2025	31/12/2024
	HK\$'000	HK\$'000
Placements with banks and financial institutions	146,399	156,622
Less: allowance for impairment losses	10	10
Placements with banks and financial institutions	<u>146,389</u>	<u>156,612</u>

An analysis of changes in the ECL allowances for placement with banks and other financial institutions:

THE COMPANY 30/6/2025				
	Stage 1	Stage 2	Stage 3	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance as of 1 January 2025	10	0	0	10
Assets derecognized or repaid during the year	0	0	0	0
Balance as of 30 June 2025	<u>10</u>	<u>0</u>	<u>0</u>	<u>10</u>

THE COMPANY 31/12/2024				
	Stage 1	Stage 2	Stage 3	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance as of 1 January 2024	10	0	0	10
New assets originated or purchased	0	0	0	0
Balance as of 31 December 2024	<u>10</u>	<u>0</u>	<u>0</u>	<u>10</u>

4. CREDIT LOSS EXPENSES / IMPAIRMENT ALLOWANCES

The following table shows the changes in ECL on financial instruments for the year recorded in the profit or loss.

THE COMPANY 30/6/2025				
	12-months expected credit loss Stage 1 HK\$'000	Lifetime expected credit loss not credit impaired Stage 2 HK\$'000	Lifetime expected credit loss credit impaired Stage 3 HK\$'000	Total HK\$'000
Net charge for / (write-back of) credit loss expenses:				
- Advances to customers	56	0	5,149	5,205
- Cash and cash equivalents	0	0	0	0
- Placements with banks and financial institutions	0	0	0	0
	<u>56</u>	<u>0</u>	<u>5,149</u>	<u>5,205</u>

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (continued)

4. CREDIT LOSS EXPENSES / IMPAIRMENT ALLOWANCES (continued)

The following table shows the changes in ECL on financial instruments for the year recorded in the profit or loss.

THE COMPANY				
31/12/2024				
	12-months expected credit loss Stage 1 HK\$'000	Lifetime expected credit loss not credit impaired Stage 2 HK\$'000	Lifetime expected credit loss credit impaired Stage 3 HK\$'000	Total HK\$'000
Net charge for / (write-back of) credit loss expenses:				
- Advances to customers	68	(34)	0	34
- Cash and cash equivalents	0	0	0	0
- Placements with banks and financial institutions	0	0	0	0
	<u>68</u>	<u>(34)</u>	<u>0</u>	<u>34</u>

5. OFF-BALANCE SHEET EXPOSURES

A. Contingent liabilities and commitments

	THE COMPANY	
	30/6/2025 HK\$'000	31/12/2024 HK\$'000
Contractual amounts		
Direct credit substitutes	0	0
Trade-related contingencies	0	0
Other commitments:		
With an original maturity of under one year or which are unconditionally cancellable	44,923	21,425
With an original maturity of one year and over	<u>0</u>	<u>0</u>
	<u>44,923</u>	<u>21,425</u>
Credit risk weighted amounts	<u>4,492</u>	<u>0</u>

Contingent liabilities and commitments are credit-related instruments which include acceptances, letters of credit, guarantees and commitments to extend credit. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the client default.

The replacement costs and credit risk weighted amounts of the above off-balance sheet exposures do not take into account the effects of bilateral netting arrangements.

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (continued)

5. OFF-BALANCE SHEET EXPOSURES (continued)

B. Derivatives

	THE COMPANY	
	30/6/2025	31/12/2024
	HK\$'000	HK\$'000
Notional amounts of derivatives		
Exchange rate contracts	400,341	396,223
Credit risk weighted amounts	5,680	4,468
Replacement costs	4,271	109

The notional amounts of these derivatives indicate the volume of transactions outstanding at the balance sheet date, but they do not represent amounts at risk. No hedge accounting was adopted.

The replacement costs and credit risk weighted amounts of the above derivatives do not take into account the effects of bilateral netting arrangements.

6. DERIVATIVE FINANCIAL INSTRUMENTS

	THE COMPANY	
	30/6/2025	31/12/2024
	HK\$'000	HK\$'000
Derivative financial instruments (not under hedge accounting)		
Forward foreign exchange contracts (at fair value)		
-Assets	4,271	109
-Liabilities	0	317

The Company utilises currency derivatives to hedge significant future transactions and cash flows. The Company is a party to a variety of foreign currency forward contracts for the sake of management of its exchange rate exposures. The instruments purchased are primarily denominated in the currencies of the Company's principal markets.

As at the balance sheet date, all derivatives are stated at fair value. Fair value is determined based on valuation techniques.

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (continued)

7. SEGMENTAL INFORMATION

The company's total operating income, profit / (loss) before taxation, total assets, total liabilities and contingent liabilities and commitments are derived predominantly from Hong Kong.

The Company's gross advances to customers analysed and reported by industry sectors are as follows :

	THE COMPANY 30/6/2025		THE COMPANY 31/12/2024	
	Gross advances HK\$'000	% of gross advances covered by collateral	Gross advances HK\$'000	% of gross advances covered by collateral
<u>Loans for use in Hong Kong</u>				
Industrial, commercial and financial :				
- Property development	27,000	100.00%	30,000	100.00%
- Property investment	128,464	100.00%	143,432	100.00%
- Financial concerns	0	0.00%	0	0.00%
- Stockbrokers	0	0.00%	0	0.00%
- Wholesale and retail trade	493,396	100.00%	451,304	100.00%
- Manufacturing	100,956	100.00%	109,724	100.00%
- Transport and transport equipment	50,759	100.00%	45,488	100.00%
- Recreational activities	0	0.00%	0	0.00%
- Information technology	4,164	100.00%	4,416	100.00%
- Electricity and gas	0	0.00%	0	0.00%
- Civil engineering works	0	0.00%	0	0.00%
- Hotels, boarding houses & catering	71,395	100.00%	118,835	100.00%
- Non-stockbroking companies & individuals for the purchase of shares-others	33,050	100.00%	33,000	100.00%
Professional & private individuals				
- Loans for purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes	0	0.00%	0	0.00%
- Loans for the purchase of other residential properties	41,472	100.00%	48,011	100.00%
- Credit card advances	0	0.00%	0	0.00%
- Loans for other business purposes	12,983	100.00%	972	100.00%
- Loans for other private purposes	10,158	100.00%	21,646	100.00%
All others	3,001	99.98%	2,700	100.00%
Total loans for use in Hong Kong	<u>976,798</u>		<u>1,009,528</u>	
Trade finance	<u>10,867</u>	100.00%	<u>15,226</u>	100.00%
Total loans for use outside Hong Kong	<u>50,266</u>	100.00%	<u>84,981</u>	100.00%
Total advances to customers	<u>1,037,931</u>		<u>1,109,735</u>	

The advances are predominantly made to customers in Hong Kong. No geographical analysis is disclosed as the Company derives the majority of its income from its commercial banking business where the customers' principal operations are in Hong Kong.

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (continued)

7. SEGMENTAL INFORMATION (continued)

The Company's gross and impaired loans and advances to customers, impairment allowances, impaired loans and advances written off and collateral are analysed by industry sectors pursuant to the HKMA's guidelines as follows:

Advances to customers over 10% of the total advances by industry sectors as at 30 June 2025

	THE COMPANY								
	Gross loans and advances HK\$'000	Impairment allowances Stage 1 & Stage 2 HK\$'000	Impairment allowances Stage 3 HK\$'000	New impairment allowances charged to income statement HK\$'000	Amount of impaired loans and advances written off HK\$'000	Collateral HK\$'000	Percentage of gross advances covered by collateral HK\$'000	Impaired loans and advances HK\$'000	Loans and advances overdue for more than three months HK\$'000
Property investment	128,464	0	379	379	0	128,464	100.00%	4,941	4,941
Wholesale and retail trade	493,396	131	0	61	0	493,396	100.00%	82,811	82,811

Advances to customers over 10% of the total advances by industry sectors as at 31 December 2024

	THE COMPANY								
	Gross loans and advances HK\$'000	Impairment allowances Stage 1 & Stage 2 HK\$'000	Impairment allowances Stage 3 HK\$'000	New impairment allowances charged to income statement HK\$'000	Amount of impaired loans and advances written off HK\$'000	Collateral HK\$'000	Percentage of gross advances covered by collateral HK\$'000	Impaired loans and advances HK\$'000	Loans and advances overdue for more than three months HK\$'000
Hotels, boarding hse & catering	118,835	0	0	0	0	118,835	100.00%	0	0
Property investment	143,432	0	0	0	0	143,432	100.00%	11,923	11,923
Wholesale and retail trade	451,304	36	0	69	0	451,304	100.00%	0	0

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (continued)

8. LIQUIDITY RISK MANAGEMENT

Liquidity risk is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfil commitments to lend.

ALCO is responsible for monitoring the Company's liquidity position through periodic review of statutory liquidity ratio, maturity profile of assets and liabilities, loan-to-deposit ratio and inter-bank transactions. Liquidity policy is monitored by ALCO and reviewed regularly by the Board of Directors of the Company. The Company's policy is to maintain a conservative level of liquid funds on a daily basis so that the Company is prepared to meet its obligations when they fall due in the normal course of business, to satisfy statutory liquidity ratio requirements, and to deal with any funding crises that may arise. Limits are set on the minimum proportion of maturing funds to be maintained in order to meet all the calls on cash resources such as overnight deposits, current accounts, maturing deposits, loan draw-downs and guarantees, margin calls and other calls on cash-settled derivatives. Limits are also set on the minimum level of inter-bank and other borrowing facilities that should be in place to cover withdrawals at an unexpected level of demand.

	THE COMPANY	
	30/6/2025	30/6/2024
	%	%
Average liquidity maintenance ratio for the six-month period	159.06%	111.66%

The Liquidity Ratio specified under section 102 of the Banking Ordinance, which was replaced by the liquidity maintenance ratio ("LMR") on 1 January 2015. LMR was complied in accordance with the Banking (Liquidity) Rules issued by the HKMA with effective from 1 January 2015 for the implementation of the Basel III capital framework.

The average ratio is calculated based on the arithmetic mean of the average value of its liquidity position return for each month during the reporting period.

9. LEVERAGE RATIO

	THE COMPANY	
	30/6/2025	31/12/2024
	%	%
Leverage ratio	32.76%	32.94%

To comply with the Banking (Disclosure) Rules, all additional information in relation to the Company's leverage ratio are published by using the standard disclosure templates, as specified by the HKMA under the "Regulatory Disclosures" section on the Company's website www.abchkl.com.hk

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (continued)

10. CURRENCY RISK

	THE COMPANY						
	30/6/2025						
	AUD	CAD	EUR	GBP	JPY	NZD	USD
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Spot assets	1,128	979	0	1,652	0	4,452	361,293
Spot liabilities	(938)	(726)	0	(1,150)	0	(3,815)	(729,661)
Forward purchases	0	0	0	0	0	0	384,640
Forward sales	0	0	0	0	0	0	(15,700)
Net long / (short) position	190	253	0	502	0	637	572

	THE COMPANY						
	31/12/2024						
	AUD	CAD	EUR	GBP	JPY	NZD	USD
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Spot assets	1,058	911	0	1,468	0	4,005	345,394
Spot liabilities	(876)	(682)	0	(1,038)	0	(3,450)	(710,691)
Forward purchases	0	0	0	0	0	0	380,377
Forward sales	0	0	0	0	0	0	(15,526)
Net long / (short) position	182	229	0	430	0	555	(446)

There was no structural position in a particular foreign currency as at the balance sheet date.

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (continued)

11. INTERNATIONAL CLAIMS

The Company's country risk exposures in the tables below are prepared in according to the location and types of the counterparties as defined by the HKMA under the Banking (disclosure) Rules with reference to the HKMA's Return of International Banking Statistics. International claims are on-balance sheet exposures to counterparties based on the location of the counterparties after taking into account the transfer of risk, and represent the sum of cross-border claims in all currencies and local claims in foreign currencies. International claims attributable to individual countries or areas not less than 10% of the Company's total international claims, after recognised risk transfer, are shown as follows :

	THE COMPANY					
	30/6/2025					
	Non-bank Private Sector					Total HK\$'000
Counterparty country/jurisdiction	Banks HK\$'000	Official Sector HK\$'000	Non-bank Financial Institutions HK\$'000	Non- financial Private Sector HK\$'000	Others HK\$'000	
Developed Countries	121,677	0	0	0	0	121,677
Offshore Centres	357,915	0	0	1,037,931	0	1,395,846
- of which : Hong Kong	357,915	0	0	1,037,931	0	1,395,846
Developing Europe	0	0	0	0	0	0
Developing Latin America and Caribbean	0	0	0	0	0	0
Developing Africa and Middle East	0	0	0	0	0	0
Developing Asia and Pacific	51,338	0	0	0	0	51,338
International Organisations	0	0	0	0	0	0
Unallocated	0	0	0	0	0	0
Total	530,930	0	0	1,037,931	0	1,568,861

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (continued)

11. INTERNATIONAL CLAIMS (continued)

INTERNATIONAL CLAIMS (continued)

	THE COMPANY 31/12/2024					
	Banks HK\$'000	Official Sector HK\$'000	Non-bank Financial Institutions HK\$'000	Non-bank Private Sector Non- financial Private HK\$'000	Others HK\$'000	Total HK\$'000
Counterparty country/jurisdiction						
Developed Countries	112,846	0	0	0	0	112,846
Offshore Centres	259,387	0	0	1,109,735	0	1,369,122
- of which : Hong Kong	152,328	0	0	1,109,735	0	1,262,063
Developing Europe	0	0	0	0	0	0
Developing Latin America and	0	0	0	0	0	0
Developing Africa and Middle East	0	0	0	0	0	0
Developing Asia and Pacific	49,903	0	0	0	0	49,903
International Organisations	0	0	0	0	0	0
Unallocated	0	0	0	0	0	0
Total	422,136	0	0	1,109,735	0	1,531,871

12. CAPITAL DISCLOSURES

The company has adopted the foundation basic approach (BSC approach) to calculate the credit risk capital charge for all on-balance sheet exposures and off-balance sheet exposures. The Company has adopted the standardised (market risk) (STM approach) to calculate the market risk capital charge for foreign exchange and interest rate exposures. The company has adopted the standardised (operational risk) STO approach to calculate the minimum capital charge for operational risk.

The capital ratios of the Company as at 30 June 2025 and 31 December 2024 are reported to the Hong Kong Monetary Authority are as follows :

	THE COMPANY	
	30/6/2025 %	31/12/2024 %
Common Equity Tier 1 capital ratio	30.44%	38.52%
Tier 1 capital ratio	30.44%	38.52%
Total capital ratio	31.72%	40.18%

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (continued)

12. CAPITAL DISCLOSURES (continued)

The components of the company's total capital base after deductions used in the calculation of the above capital ratios as at 30 June 2025 and 31 December 2024 and reported to the Hong Kong Monetary Authority are as follows:

	THE COMPANY	
	30/6/2025	31/12/2024
	HK\$'000	HK\$'000
Category 1 - Common Equity Tier 1 ("CET1") capital		
CET1 capital instruments	165,000	165,000
Retained earnings	411,965	399,894
Disclosed reserves	7,000	7,000
CET1 capital before deductions	583,965	571,894
CET1 capital : regulatory deductions		
Deferred tax assets in excess of deferred tax liabilities	0	0
Cumulative fair value gains arising from the revaluation of land and buildings (covering both own-use and investment properties)	38,555	38,555
Total regulatory deductions to CET1 capital	38,555	38,555
CET1 capital after deductions	545,410	533,339
Category II - Additional Tier 1 capital		
Additional Tier 1 capital instruments issued and share premium if any (subject to phase out arrangements from AT1 capital)	0	0
Additional Tier 1 capital	0	0
Tier 1 capital after deductions	545,410	533,339
Category III - Tier 2 capital		
Reserves attributable to fair value gains on revaluation of holdings of land and buildings	17,350	17,350
Collective provisions	5,659	5,603
Tier 2 capital	23,009	22,953
Tier 2 capital after deductions	23,009	22,953
Total capital base	568,419	556,292

To comply with the Banking (Disclosure) Rules, a section "Regulatory Disclosures" will be available on the Company's website at www.abchkl.com.hk on 30 September 2025 onwards and include the following information:

- A detailed breakdown of the Company's capital base and regulatory deductions, using the standard template as specified by the Hong Kong Monetary Authority.
- A reconciliation of capital components to the Company's balance sheet, using the standard template as specified by the Hong Kong Monetary Authority.
- A description of the main features and the full terms and conditions of the Company's issued capital instruments.

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (continued)

13. COUNTERCYCLICAL CAPITAL BUFFER (CCyB) RATIO

	THE COMPANY	
	30/6/2025	31/12/2024
	%	%
CCyB ratio	0.50%	0.50%

To comply with the Banking (Disclosure) Rules, all additional information in relation to the Company's CCyB ratio are published by using the standard disclosure templates, as specified by the HKMA under the "Regulatory Disclosures" section on the Company's website www.abchkl.com.hk

14. CAPITAL CONSERVATION BUFFER RATIO

Under section 3M of the Capital Rules, the capital conservation buffer ratio for calculating the Company's buffer level are 2.5% for 30 June 2025 and 31 December 2024.

15. PILLAR 3 REGULATORY DISCLOSURES

The Pillar 3 regulatory disclosures for 30 June 2025 which are prepared in accordance with the Banking (Disclosure) Rules and disclosure templates issued by the HKMA can be found under the "Regulatory Disclosures" Section on the company's website at www.abchkl.com.hk.

16. REPOSSESSED ASSETS

No repossessed assets of the company was held as at 30 June 2025 (31 December 2024 : Nil).

17. COMPARATIVE FIGURES

Certain comparative amounts have been reclassified to conform with the current year's presentation and disclosures.

18. STATEMENT OF COMPLIANCE

The Interim Results together with the Supplementary Financial Information is prepared in accordance with and complies fully with the requirements set out in the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority.

Note : In the event of any difference in interpretation or meaning between the Chinese and English version of this Statement, the English version shall prevail.