

Regulatory disclosure
Reconciliation between the Group's accounting and regulatory balance sheets

| | At 30 June 2015 | | At 31 December 2014 | |
|---|--|--|--|--|
| | Balance sheet in published unaudited financial statements HK\$ '000 | Under regulatory scope of consolidation HK\$ '000 | Balance sheet in published financial statements HK\$ '000 | Under regulatory scope of consolidation HK\$ '000 |
| ASSETS | | | | |
| Cash and cash equivalents | 394,711 | 392,968 | 274,629 | 271,956 |
| Placements with banks and other financial institutions maturing between one and twelve months | 215,255 | 209,069 | 256,885 | 250,731 |
| Derivative financial instruments | 0 | 0 | 108 | 108 |
| Available-for-sale investments | 0 | 0 | 0 | 0 |
| Advances and other accounts | 980,271 | 978,290 | 1,037,811 | 1,037,268 |
| Trade Bills | 0 | 0 | 0 | 0 |
| Investment in a subsidiary | 0 | 1,000 | 0 | 1,000 |
| Investment property | 50,000 | 50,000 | 50,000 | 50,000 |
| Property and equipment | 31,203 | 31,203 | 31,650 | 31,650 |
| Deferred tax assets | 1,393 | 1,393 | 1,393 | 1,393 |
| Total assets | 1,672,833 | 1,663,923 | 1,652,476 | 1,644,106 |
| LIABILITIES AND EQUITY | | | | |
| LIABILITIES | | | | |
| Deposits and balances of banks and other financial institutions | 38,674 | 38,674 | 39,294 | 39,294 |
| Deposits from customers | 1,229,681 | 1,229,681 | 1,220,340 | 1,220,340 |
| Derivative financial instruments | 69 | 69 | 111 | 111 |
| Other accounts and payables | 10,205 | 7,899 | 11,309 | 8,316 |
| Total liabilities | 1,278,629 | 1,276,323 | 1,271,054 | 1,268,061 |
| EQUITY | | | | |
| Share capital | 185,700 | 185,700 | 185,700 | 185,700 |
| Reserves | 208,504 | 201,900 | 195,722 | 190,345 |
| Total equity | 394,204 | 387,600 | 381,422 | 376,045 |
| Total equity and liabilities | 1,672,833 | 1,663,923 | 1,652,476 | 1,644,106 |

Regulatory disclosure
Reconciliation between the Group's unaudited accounting and regulatory balance sheets (Continued)

| | At 30 June 2015 | | |
|---|--|--|--|
| | Balance sheet in published unaudited financial statements HK\$ '000 | Under regulatory scope of consolidation HK\$ '000 | Cross reference to Definition of Capital Components |
| ASSETS | | | |
| Cash and cash equivalents | 394,711 | 392,968 | |
| Placements with banks and other financial institutions maturing between one and twelve months | 215,255 | 209,069 | |
| Derivative financial instruments | 0 | 0 | |
| Available-for-sale investments | 0 | 0 | |
| Advances and other accounts <i>of which : collective impairment allowances reflected in regulatory capital</i> | 980,271 | 978,290 (1,896) | (1) |
| Trade Bills | 0 | 0 | |
| Investment in a subsidiary | 0 | 1,000 | |
| Investment property <i>of which : cumulative revaluation gains on land and buildings</i> | 50,000 | 50,000 23,555 | (2) |
| Property and equipment | 31,203 | 31,203 | |
| Deferred tax assets | 1,393 | 1,393 | (3) |
| Total assets | 1,672,833 | 1,663,923 | |
| LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| Deposits and balances of banks and other financial institutions | 38,674 | 38,674 | |
| Deposits from customers | 1,229,681 | 1,229,681 | |
| Derivative financial instruments | 69 | 69 | |
| Other accounts and payables | 10,205 | 7,899 | |
| Total liabilities | 1,278,629 | 1,276,323 | |
| EQUITY | | | |
| Share capital | 185,700 | 185,700 | |
| <i>of which : fully paid up share capital</i> | | 124,209 | (4) |
| <i>partly paid up share capital</i> | | 40,791 | (5) |
| <i>non-cumulative and non-redeemable preference shares</i> | | 20,700 | (6) |
| Reserves | 208,504 | 201,900 | |
| <i>of which : retained earnings</i> | | 174,243 | (7) |
| <i>unaudited profit of the current financial year</i> | | 11,556 | (8) |
| <i>collective impairment reserve</i> | | 9,101 | (9) |
| <i>general reserve</i> | | 7,000 | (10) |
| <i>available-for-sale investment reserve</i> | | 0 | |
| Total equity | 394,204 | 387,600 | |
| Total equity and liabilities | 1,672,833 | 1,663,923 | |



Allied Banking Corporation (HK) Limited

Reconciliation between the Group's accounting and regulatory balance sheets (Continued)

| | At 31 December 2014 | | Cross reference to Definition of Capital Components |
|--|---|--|--|
| | Balance sheet in published financial statements HK\$ '000 | Under regulatory scope of consolidation HK\$ '000 | |
| ASSETS | | | |
| Cash and cash equivalents | 274,629 | 271,956 | |
| Placements with banks and other financial institutions maturing between one and twelve months | 256,885 | 250,731 | |
| Derivative financial instruments | 108 | 108 | |
| Available-for-sale investments | 0 | 0 | |
| Advances and other accounts | 1,037,811 | 1,037,268 | |
| <i>of which : collective impairment allowances reflected in regulatory capital</i> | | (1,896) | (1) |
| Trade Bills | 0 | 0 | |
| Investment in a subsidiary | 0 | 1,000 | |
| Investment property | 50,000 | 50,000 | |
| <i>of which : cumulative revaluation gains on land and buildings</i> | | 23,555 | (2) |
| Property and equipment | 31,650 | 31,650 | |
| Deferred tax assets | 1,393 | 1,393 | (3) |
| Total assets | 1,652,476 | 1,644,106 | |
| LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| Deposits and balances of banks and other financial institutions | 39,294 | 39,294 | |
| Deposits from customers | 1,220,340 | 1,220,340 | |
| Derivative financial instruments | 111 | 111 | |
| Other accounts and payables | 11,309 | 8,316 | |
| Total liabilities | 1,271,054 | 1,268,061 | |
| EQUITY | | | |
| Share capital | 185,700 | 185,700 | |
| <i>of which : fully paid up share capital</i> | | 124,209 | (4) |
| <i>partly paid up share capital</i> | | 40,791 | (5) |
| <i>non-cumulative and non-redeemable preference shares</i> | | 20,700 | (6) |
| Reserves | 195,722 | 190,345 | |
| <i>of which : retained earnings</i> | | 155,666 | (7) |
| <i>audited profit of the current financial year</i> | | 18,578 | (8) |
| <i>collective impairment reserve</i> | | 9,101 | (9) |
| <i>general reserve</i> | | 7,000 | (10) |
| <i>available-for-sale investment reserve</i> | | 0 | |
| Total equity | 381,422 | 376,045 | |
| Total equity and liabilities | 1,652,476 | 1,644,106 | |

Regulatory disclosure
As at 30 June 2015

Reconciliation between the Group's accounting and regulatory balance sheets (*continued*)

Capital Disclosures Template

| | | HK\$ '000 | |
|---|---|----------------|-------------------|
| CET1 capital: instruments and reserves | | | Cross referenced* |
| 1 | Directly issued qualifying CET1 capital instruments plus any related share premium | 165,000 | (4) + (5) |
| 2 | Retained earnings | 185,799 | (7) + (8) |
| 3 | Disclosed reserves | 7,000 | (10) |
| 4 | <i>Directly issued capital subject to phase out from CET1 capital (only applicable to non-joint stock companies)</i> | 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 | CET1 capital before regulatory deductions | 357,799 | |
| CET1 capital: regulatory deductions | | | |
| 7 | Valuation adjustments | 0 | |
| 8 | Goodwill (net of associated deferred tax liability) | 0 | |
| 9 | Other intangible assets (net of associated deferred tax liability) | 0 | |
| 10 | Deferred tax assets net of deferred tax liabilities | 1,393 | (3) |
| 11 | Cash flow hedge reserve | 0 | |
| 12 | Excess of total EL amount over total eligible provisions under the IRB approach | 0 | |
| 13 | Gain-on-sale 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 capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold) | 0 | |
| 19 | Significant capital 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 (amount above 10% threshold) | Not applicable | |
| 21 | Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability) | Not applicable | |
| 22 | Amount exceeding the 15% threshold | Not applicable | |
| 23 | of which: significant investments in the common stock of financial sector entities | Not applicable | |
| 24 | of which: mortgage servicing rights | Not applicable | |
| 25 | of which: deferred tax assets arising from temporary differences | Not applicable | |
| 26 | National specific regulatory adjustments applied to CET1 capital | 23,555 | |
| 26a | Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) | 23,555 | (2) |
| 26b | Regulatory reserve for general banking risks | 0 | |
| 26c | Securitization exposures specified in a notice given by the Monetary Authority | 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 | Total regulatory deductions to CET1 capital | 24,948 | |
| 29 | CET1 capital | 332,851 | |
| AT1 capital: instruments | | | |
| 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> | 14,490 | (6) |
| 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 | AT1 capital before regulatory deductions | 14,490 | |

| AT1 capital: regulatory deductions | | | |
|---|---|----------|-----------|
| 37 | Investments in own AT1 capital instruments | 0 | |
| 38 | Reciprocal cross-holdings in AT1 capital instruments | 0 | |
| 39 | Insignificant capital 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 capital 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 | Total regulatory deductions to AT1 capital | 0 | |
| 44 | AT1 capital | 14,490 | |
| 45 | Tier 1 capital (Tier 1 = CET1 + AT1) | 347,341 | |
| Tier 2 capital: instruments and provisions | | | |
| 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 impairment allowances and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital | 10,997 | (1) + (9) |
| 51 | Tier 2 capital before regulatory deductions | 10,997 | |
| Tier 2 capital: regulatory deductions | | | |
| 52 | Investments in own Tier 2 capital instruments | 0 | |
| 53 | Reciprocal cross-holdings in Tier 2 capital instruments | 0 | |
| 54 | Insignificant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold) | 0 | |
| 55 | Significant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation | 0 | |
| 56 | National specific regulatory adjustments applied to Tier 2 capital | (10,600) | |
| 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 | (10,600) | (2) x 45% |
| 57 | Total regulatory deductions to Tier 2 capital | (10,600) | |
| 58 | Tier 2 capital | 21,597 | |
| 59 | Total capital (Total capital = Tier 1 + Tier 2) | 368,938 | |

Abbreviations:

CET1: Common Equity Tier 1

AT1: Additional Tier 1

Footnote :

* Cross-referenced to audited Financial Position

Regulatory disclosure

As at 31 December 2014

Reconciliation between the Group's accounting and regulatory balance sheets (continued)
Capital Disclosures Template

| | | HK\$ '000 | |
|---|---|----------------|-------------------|
| CET1 capital: instruments and reserves | | | Cross referenced* |
| 1 | Directly issued qualifying CET1 capital instruments plus any related share premium | 165,000 | (4) + (5) |
| 2 | Retained earnings | 174,244 | (7) + (8) |
| 3 | Disclosed reserves | 7,000 | (10) |
| 4 | <i>Directly issued capital subject to phase out from CET1 capital (only applicable to non-joint stock companies)</i> | 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 | CET1 capital before regulatory deductions | 346,244 | |
| CET1 capital: regulatory deductions | | | |
| 7 | Valuation adjustments | 0 | |
| 8 | Goodwill (net of associated deferred tax liability) | 0 | |
| 9 | Other intangible assets (net of associated deferred tax liability) | 0 | |
| 10 | Deferred tax assets net of deferred tax liabilities | 1,393 | (3) |
| 11 | Cash flow hedge reserve | 0 | |
| 12 | Excess of total EL amount over total eligible provisions under the IRB approach | 0 | |
| 13 | Gain-on-sale 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 capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold) | 0 | |
| 19 | Significant capital 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 (amount above 10% threshold) | Not applicable | |
| 21 | Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability) | Not applicable | |
| 22 | Amount exceeding the 15% threshold | Not applicable | |
| 23 | of which: significant investments in the common stock of financial sector entities | Not applicable | |
| 24 | of which: mortgage servicing rights | Not applicable | |
| 25 | of which: deferred tax assets arising from temporary differences | Not applicable | |
| 26 | National specific regulatory adjustments applied to CET1 capital | 23,555 | |
| 26a | Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) | 23,555 | (2) |
| 26b | Regulatory reserve for general banking risks | 0 | |
| 26c | Securitization exposures specified in a notice given by the Monetary Authority | 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 | Total regulatory deductions to CET1 capital | 24,948 | |
| 29 | CET1 capital | 321,296 | |
| AT1 capital: instruments | | | |
| 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> | 16,560 | (6) |
| 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 | AT1 capital before regulatory deductions | 16,560 | |

| AT1 capital: regulatory deductions | | | |
|---|---|----------|-----------|
| 37 | Investments in own AT1 capital instruments | 0 | |
| 38 | Reciprocal cross-holdings in AT1 capital instruments | 0 | |
| 39 | Insignificant capital 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 capital 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 | Total regulatory deductions to AT1 capital | 0 | |
| 44 | AT1 capital | 16,560 | |
| 45 | Tier 1 capital (Tier 1 = CET1 + AT1) | 337,856 | |
| Tier 2 capital: instruments and provisions | | | |
| 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 impairment allowances and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital | 10,997 | (1) + (9) |
| 51 | Tier 2 capital before regulatory deductions | 10,997 | |
| Tier 2 capital: regulatory deductions | | | |
| 52 | Investments in own Tier 2 capital instruments | 0 | |
| 53 | Reciprocal cross-holdings in Tier 2 capital instruments | 0 | |
| 54 | Insignificant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold) | 0 | |
| 55 | Significant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation | 0 | |
| 56 | National specific regulatory adjustments applied to Tier 2 capital | (10,600) | |
| 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 | (10,600) | (2) x 45% |
| 57 | Total regulatory deductions to Tier 2 capital | (10,600) | |
| 58 | Tier 2 capital | 21,597 | |
| 59 | Total capital (Total capital = Tier 1 + Tier 2) | 359,453 | |

Abbreviations:

CET1: Common Equity Tier 1

AT1: Additional Tier 1

Footnote :

* Cross-referenced to audited Financial Position