

**REGULATORY DISCLOSURES**

The following Pillar 3 disclosures are prepared on a solo basis of calculating the capital adequacy ratios.

**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 2017 and 31 March 2017 respectively:

		(HK\$ '000)		
		(a)	(b)	(c)
		RWA		Minimum capital requirements
		June 2017	March 2017	June 2017
<b>1</b>	<b>Credit risk for non-securitization exposures</b>	<b>1,228,809</b>	<b>1,166,051</b>	<b>153,601</b>
2	Of which STC approach	0	0	0
2a	Of which BSC approach	1,228,809	1,166,051	153,601
3	Of which IRB approach	0	0	0
<b>4</b>	<b>Counterparty credit risk</b>	<b>1,556</b>	<b>1,224</b>	<b>195</b>
5	Of which SA-CCR	0	0	0
5a	Of which CEM	1,556	1,224	195
6	Of which IMM(CCR) approach	0	0	0
7	Equity exposures in banking book under the market-based approach	0	0	0
8	CIS exposures - LTA	0	0	0
9	CIS exposures - MBA	0	0	0
10	CIS exposures - FBA	0	0	0
11	Settlement risk	0	0	0
<b>12</b>	<b>Securitization exposures in banking book</b>	<b>0</b>	<b>0</b>	<b>0</b>
13	Of which IRB(S) approach - ratings-based method	0	0	0
14	Of which IRB(S) approach - supervisory formula method	0	0	0
15	Of which STC(S) approach	0	0	0
<b>16</b>	<b>Market risk</b>	<b>15,713</b>	<b>15,150</b>	<b>1,964</b>
17	Of which STM approach	15,713	15,150	1,964
18	Of which IMM approach	0	0	0
<b>19</b>	<b>Operational risk</b>	<b>113,525</b>	<b>111,000</b>	<b>14,191</b>
20	Of which BIA approach	113,525	111,000	14,191
23	Amounts below the thresholds for deduction (subject to 250% RW)	0	0	0
24	Capital floor adjustment	0	0	0
<b>24a</b>	<b>Deduction to RWA</b>	<b>17,355</b>	<b>17,355</b>	<b>2,169</b>
24b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	0	0	0
24c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	17,355	17,355	2,169
<b>25</b>	<b>Total</b>	<b>1,342,248</b>	<b>1,276,070</b>	<b>167,782</b>

**Template CR1: Credit quality of exposures**

The table below provides an overview of the credit quality of on- and off-balance sheet exposures as at 30 June 2017:

(HK\$ '000)		(a)	(b)	(c)	(d)
		Gross carrying amounts of		Allowances / impairments	Net values
		Defaulted exposures	Non-defaulted exposures		
1	Loans	2,081	1,112,688	1,917	1,112,852
2	Debt securities	0	0	0	0
3	Off-balance sheet exposures	0	77,546	0	77,546
<b>4</b>	<b>Total</b>	<b>2,081</b>	<b>1,190,234</b>	<b>1,917</b>	<b>1,190,398</b>

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

The table below provides information on the changes in defaulted loans and debt securities, including any changes in the amount of defaulted exposures, movements between non-defaulted and defaulted exposures, and reductions in the defaulted exposures due to write-offs as at 30 June 2017 and 31 December 2016 respectively:

(HK\$ '000)		(a)
		Amount
<b>1</b>	<b>Defaulted loans and debt securities at end of the previous reporting period</b>	<b>826</b>
2	Loans and debt securities that have defaulted since the last reporting period	1,255
3	Returned to non-defaulted status	0
4	Amounts written off	0
5	Other changes	0
<b>6</b>	<b>Defaulted loans and debt securities at end of the current reporting period</b>	<b>2,081</b>

**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 2017:

(HK\$ '000)		(a)	(b1)	(b)	(d)	(f)
		Exposures unsecured : carrying amount	Exposures to be secured	Exposures secured by recognized collateral	Exposures secured by recognized guarantees	Exposures secured by recognized credit derivative contracts
1	Loans	1,090,412	22,440	15,646	6,794	0
2	Debt securities	0	0	0	0	0
<b>3</b>	<b>Total</b>	<b>1,090,412</b>	<b>22,440</b>	<b>15,646</b>	<b>6,794</b>	<b>0</b>
4	of which defaulted	0	2,081	2,081	0	0

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

The following table illustrates the effect of any recognized credit risk mitigation (including recognized collateral based on the comprehensive approach or the simple approach or both) on the calculation of credit risk capital requirements under BSC approach as at 30 June 2017:

	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)	On-balance sheet amount (HK\$ '000)	Off-balance sheet amount (HK\$ '000)	RWA (HK\$ '000)	RWA density %	RWA (HK\$ '000)	RWA density %		
1	Sovereign exposures	0	0	6,795	0	0	0.00%	0	0.00%				
2	PSE exposures	0	0	0	0	0	0.00%	0	0.00%				
3	Multilateral development bank exposures	0	0	0	0	0	0.00%	0	0.00%				
4	Bank exposures	510,078	0	510,078	0	102,016	20.00%	102,016	20.00%				
5	Cash items	267	0	13,836	0	0	0.00%	0	0.00%				
6	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	0	0	0	0	0	0.00%	0	0.00%				
7	Residential mortgage loans	206,053	0	206,053	0	140,654	68.26%	140,654	68.26%				
8	Other exposures	1,004,755	86,286	984,391	1,748	986,139	100.00%	986,139	100.00%				
9	Significant exposures to commercial entities	0	0	0	0	0	0.00%	0	0.00%				
10	<b>Total</b>	<b>1,721,153</b>	<b>86,286</b>	<b>1,721,153</b>	<b>1,748</b>	<b>1,228,809</b>	<b>71.32%</b>	<b>1,228,809</b>	<b>71.32%</b>				

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

The following table presents a breakdown of credit risk exposures under BSC approach by asset classes and by risk weights as at 30 June 2017 :

	(HK\$ '000)	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	Exposure class	0%	10%	20%	35%	50%	100%	250%	Others	Total credit risk exposures amount (post CCF and post CRM)
1	Sovereign exposures	6,795	0	0	0	0	0	0	0	6,795
2	PSE exposures	0	0	0	0	0	0	0	0	0
3	Multilateral development bank exposures	0	0	0	0	0	0	0	0	0
4	Bank exposures	0	0	510,078	0	0	0	0	0	510,078
5	Cash items	13,836	0	0	0	0	0	0	0	13,836
6	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	0	0	0	0	0	0	0	0	0
7	Residential mortgage loans	0	0	0	0	130,798	75,255	0	0	206,053
8	Other exposures	0	0	0	0	0	986,139	0	0	986,139
9	Significant exposures to commercial entities	0	0	0	0	0	0	0	0	0
<b>10</b>	<b>Total</b>	<b>20,631</b>	<b>0</b>	<b>510,078</b>	<b>0</b>	<b>130,798</b>	<b>1,061,394</b>	<b>0</b>	<b>0</b>	<b>1,722,901</b>

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

The following table presents a comprehensive breakdown of counterparty default risk exposures (other than those to CCPs), RWAs, and , where applicable, main parameters under the approaches used to calculate default risk exposures in respect of derivative contracts and SFTs as at 30 June 2017:

		(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 (for derivative contracts)	0	0		1.4	0	0
1a	CEM	1,862	5,494		N/A	7,356	1,556
2	IMM (CCR) Approach			0	N/A	0	0
3	Simple Approach (for SFTs)					0	0
4	Comprehensive Approach (for SFTs)					0	0
5	VaR (for SFTs)					0	0
<b>6</b>	<b>Total</b>						<b>1,556</b>

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

The following table presents a breakdown of default risk exposures as at 30 June 2017, other than those to CCPs, in respect of derivative contracts and SFTs that are subject to the BSC approach, by asset classes and risk-weights, irrespective of the approach used to determine the amount of default risk exposures:

	(HK\$ '000)	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	Risk Weight									Total default risk exposure after CRM
	Exposure class	0%	10%	20%	35%	50%	100%	250%	Others	
1	Sovereign exposures	0	0	0	0	0	0	0	0	0
2	PSE exposures	0	0	0	0	0	0	0	0	0
3	Multilateral development bank exposures	0	0	0	0	0	0	0	0	0
4	Bank exposures	0	0	7,074	0	0	0	0	0	7,074
5	CIS exposures	0	0	0	0	0	0	0	0	0
6	Other exposures	0	0	0	0	282	0	0	0	282
7	Significant exposures to commercial entities	0	0	0	0	0	0	0	0	0
<b>8</b>	<b>Total</b>	<b>0</b>	<b>0</b>	<b>7,074</b>	<b>0</b>	<b>282</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,356</b>







# Allied Banking Corporation (HK) Limited

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 2017:

	(HK\$ '000)	(a) RWA
	Outright product exposures	
1	Interest rate exposures (general and specific risk)	14,775
2	Equity exposures (general and specific risk)	0
3	Foreign exchange (including gold) exposures	938
4	Commodity exposures	0
	Option exposures	
5	Simplified approach	0
6	Delta-plus approach	0
7	Other approach	0
8	Securitization exposures	0
<b>9</b>	<b>Total</b>	<b>15,713</b>