

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

2016 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 2016 to 30 June 2016 as follows:-

UNAUDITED CONSOLIDATED STATEMENT OF INCOME
 FOR THE SIX MONTHS ENDED 30 JUNE 2016

	<u>30/6/2016</u>	<u>30/6/2015</u>
	HK\$'000	HK\$'000
Interest income	26,097	23,879
Interest expenses	(2,673)	(2,784)
Net interest income	23,424	21,095
Commission income	629	947
Other operating income	5,026	7,467
Operating income	29,079	29,509
Operating expenses	(15,449)	(15,334)
Operating profit before impairment losses	13,630	14,175
Net write-back of impairment provision	161	115
Profit before taxation	13,791	14,290
Hong Kong profits tax	2,365	990
Profit for the period	<u>11,426</u>	<u>13,300</u>

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 COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2016

	<u>30/6/2016</u>	<u>30/6/2015</u>
	HK\$'000	HK\$'000
Profit for the period	11,426	13,300
Other comprehensive income		
Changes in fair value of available-for-sale investments	<u>0</u>	<u>0</u>
Total comprehensive income for the period	<u>11,426</u>	<u>13,300</u>

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 2016

	NOTE	30/6/2016	31/12/2015
		HK\$'000	HK\$'000
ASSETS			
Cash and cash equivalents		439,644	353,499
Placements with banks and other financial institutions			
maturing between one and twelve months		186,644	183,674
Derivative financial instruments	3	131	34
Available-for-sale investments	4	0	0
Advances and other accounts		1,036,936	1,059,582
Investment property		55,000	55,000
Property and equipment		30,119	30,661
		<u>1,748,474</u>	<u>1,682,450</u>
Total assets		<u>1,748,474</u>	<u>1,682,450</u>
LIABILITIES AND EQUITY			
LIABILITIES			
Deposits and balances of banks and other financial institutions		39,143	32,658
Deposits from customers		1,272,031	1,228,377
Derivative financial instruments	3	87	30
Other accounts and provisions		13,330	10,449
Current tax liabilities		3,541	1,502
Deferred tax liabilities		691	691
		<u>1,328,823</u>	<u>1,273,707</u>
Total liabilities		<u>1,328,823</u>	<u>1,273,707</u>
EQUITY			
Share capital		185,700	185,700
Reserves		233,951	223,043
		<u>419,651</u>	<u>408,743</u>
Total equity		<u>419,651</u>	<u>408,743</u>
Total liabilities and equity		<u>1,748,474</u>	<u>1,682,450</u>

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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Share Capital HK\$'000	General Reserve HK\$'000	Investment Revaluation Reserve HK\$'000	Collective Impairment Reserve HK\$'000	Retained Profits HK\$'000	Total HK\$'000
At 1 January 2015	185,700	7,000	0	9,101	179,621	381,422
Profit for the year	0	0	0	0	28,356	28,356
Other comprehensive income for the year : Change in fair value of AFS investments, net of tax	0	0	0	0	0	0
Total comprehensive income for the year	0	0	0	0	28,356	28,356
2015 preference shares dividend	0	0	0	0	(1,035)	(1,035)
Transfer to retained profits	0	0	0	0	0	0
At 31 December 2015	185,700	7,000	0	9,101	206,942	408,743
Profit for the six months of 2016	0	0	0	0	11,426	11,426
Other comprehensive income for the year : Change in fair value of AFS investments, net of tax	0	0	0	0	0	0
Total comprehensive income for the year	0	0	0	0	11,426	11,426
2016 preference shares dividend	0	0	0	0	(518)	(518)
At 30 June 2016	<u>185,700</u>	<u>7,000</u>	<u>0</u>	<u>9,101</u>	<u>217,850</u>	<u>419,651</u>

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

	THE COMPANY	
	30/6/2016	31/12/2015
	HK\$'000	HK\$'000
1. ADVANCES AND OTHER ACCOUNTS		
Advances to customers	1,034,223	1,056,582
Individual impairment allowances against advances to customers	(28)	(32)
Collective impairment allowances	(1896)	(1896)
Other accounts	4,238	3,990
	<u>1,036,537</u>	<u>1,058,644</u>

ADVANCES TO CUSTOMERS

	THE COMPANY		THE COMPANY	
	30/6/2016	31/12/2015	30/6/2016	31/12/2015
	HK\$'000	HK\$'000	% of total advances to customers	% of total advances to customers
Loans for use in				
Hong Kong	1,000,475	1,021,242	96.74	96.66
Philippines	13,739	15,340	1.33	1.45
Vietnam	20,009	20,000	1.93	1.89
China	0	0	0.00	0.00
	<u>1,034,223</u>	<u>1,056,582</u>	<u>100.00</u>	<u>100.00</u>

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (continued)

1. ADVANCES AND OTHER ACCOUNTS (continued)

IMPAIRED ASSETS

	THE COMPANY		THE COMPANY	
	30/6/2016	31/12/2015	30/6/2016	31/12/2015
	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	170	182	0.02	0.02
Individual impairment allowances made against such advances	(28)	(32)		
	<u>142</u>	<u>150</u>		
<u>Loans for use in People's Republic of China</u>				
Gross amount of impaired loans	0	0	0.00	0.00
Individual impairment allowances made against such advances	0	0		
	<u>0</u>	<u>0</u>		
<u>Total impaired assets</u>				
Gross amount of impaired loans	170	182	0.02	0.02
Individual impairment allowances made against such advances	(28)	(32)		
	<u>142</u>	<u>150</u>		
Fair value of collateral	<u>0</u>	<u>0</u>		

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (continued)

1. ADVANCES AND OTHER ACCOUNTS (continued)

OVERDUE AND RESCHEDULED ASSETS

OVERDUE ADVANCES

	THE COMPANY		THE COMPANY	
	30/6/2016	31/12/2015	30/6/2016	31/12/2015
	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	0	0	0.00	0.00
One year or less but over six months	0	0	0.00	0.00
Over one year	0	745	0.00	0.07
	<u>0</u>	<u>745</u>		
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Loans for use in China

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>0</u>	<u>745</u>		

As at 30 June 2016 and 31 December 2015, there were no advances to banks and other financial institutions which were overdue for three months or less.

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	
	30/6/2016	31/12/2015
	HK\$'000	HK\$'000
Current market value of collateral held against the covered portion of overdue loans and advances	<u>0</u>	<u>2,500</u>
Covered portion of overdue loans and advances	<u>0</u>	<u>745</u>
Uncovered portion of overdue loans and advances	<u>0</u>	<u>0</u>

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 新聯銀行(香港)有限公司
 UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (continued)

1. ADVANCES AND OTHER ACCOUNTS (continued)

RESCHEDULED ADVANCES

All rescheduled advances to customers were made to customers who are located in Hong Kong.

	THE COMPANY		THE COMPANY	
	30/6/2016	31/12/2015	30/6/2016	31/12/2015
	HK\$'000	HK\$'000	% of total advances to customers	% of total advances to customers
Rescheduled advances to	0	0	0	0

As at 30 June 2016 and 31 December 2015, there were no rescheduled advances to banks and other financial institutions.

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			
	30/6/2016			
<u>Type of counterparties</u>	On-balance sheet exposure	Off- balance sheet exposure	Total exposure	Individual impairment allowance
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
PRC nationals residing outside Mainland China or entities incorporated outside mainland China where the credit is granted for use in Mainland China	0	0	0	0
Total	0	0	0	0
Total assets after provision	1,731,441			
On-balance sheet exposures as percentage of total assets	0%			

	THE COMPANY			
	31/12/2015			
<u>Type of counterparties</u>	On-balance sheet exposure	Off- balance sheet exposure	Total exposure	Individual impairment allowance
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
PRC nationals residing outside Mainland China or entities incorporated outside mainland China where the credit is granted for use in Mainland China	0	0	0	0
Total	0	0	0	0
Total assets after provision	1,671,447			
On-balance sheet exposures as percentage of total assets	0%			

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (continued)

2. OFF-BALANCE SHEET EXPOSURES

A. Contingent liabilities and commitments

	THE COMPANY	
	30/6/2016	31/12/2015
	HK\$'000	HK\$'000
Contractual amounts		
Direct credit substitutes	0	0
Trade-related contingencies	4,402	490
Other commitments:		
With an original maturity of under one year or which are unconditionally cancellable	48,539	42,215
With an original maturity of one year and over	0	0
	<u>52,941</u>	<u>42,705</u>
Credit risk weighted amounts	<u>760</u>	<u>98</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.

B. Derivatives

	THE COMPANY	
	30/6/2016	31/12/2015
	HK\$'000	HK\$'000
Notional amounts of derivatives		
Exchange rate contracts	<u>394,891</u>	<u>449,548</u>
Credit risk weighted amounts	<u>839</u>	<u>532</u>
Replacement costs	<u>245</u>	<u>34</u>

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.

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (continued)

3. DERIVATIVE FINANCIAL INSTRUMENTS

	THE COMPANY	
	30/6/2016	31/12/2015
	HK\$'000	HK\$'000
Derivative financial instruments (not under hedge accounting)		
Forward foreign exchange contracts (at fair value)		
-Assets	131	34
-Liabilities	(87)	(30)
	<u>44</u>	<u>4</u>

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.

4. Available-for-sale investments

There was no available-for-sale investments of the company outstanding as at 30 June, 2016 and 31 December 2015.

As at the balance sheet date, all available-for-sale financial assets (if any) are stated at fair value. Fair value of the financial assets has been determined by reference to bid prices quoted in active markets.

5. 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 30/6/2016		THE COMPANY 31/12/2015	
	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	0	0.00%	0	0.00%
- Property investment	302,999	100.00%	304,834	100.00%
- Financial concerns	0	0.00%	0	0.00%
- Stockbrokers	0	0.00%	0	0.00%
- Wholesale and retail trade	143,319	100.00%	143,087	100.00%
- Manufacturing	165,520	99.27%	184,396	100.00%
- Transport and transport equipment	20,092	100.00%	19,431	100.00%
- Recreational activities	0	0.00%	0	0.00%
- Information technology	0	0.00%	0	0.00%
- Civil engineering works	57,112	100.00%	56,237	100.00%
- Hotels, boarding houses & catering	8,300	100.00%	7,800	100.00%
- Non-stockbroking companies & individuals for the purchase of shares - others	40,768	100.00%	26,968	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	130,980	100.00%	140,111	100.00%
- Credit card advances	0	0.00%	0	0.00%
- Loans for other business purposes	25,971	100.00%	24,089	100.00%
- Loans for other private purposes	43,378	99.61%	71,287	99.74%
All others	14,500	91.72%	0	0.00%
Total loans for use in Hong Kong	<u>952,939</u>		<u>978,240</u>	
Trade finance	<u>47,536</u>	95.55%	<u>43,002</u>	100.00%
Total loans for use outside Hong Kong	<u>33,748</u>	100.00%	<u>35,340</u>	100.00%
Total advances to customers	<u>1,034,223</u>		<u>1,056,582</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.

5. 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 by industry sectors as at 30 June 2016

	THE COMPANY									
	Gross loans and advances HK\$'000	Collective impairment allowances HK\$'000	Individual impairment allowances 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	
Manufacturing	165,520	303	0	0	0	164,320	99.27%	0	0	
Property investment	302,999	556	0	0	0	302,999	100.00%	0	0	
Wholesale and retail trade	143,319	263	0	0	0	143,319	100.00%	0	0	
Professional & private individuals - Loans for the purchase of other residential properties	130,980	240	0	0	0	130,980	100.00%	0	0	

Advances to customers by industry sectors as at 31 December 2015

	THE COMPANY									
	Gross loans and advances HK\$'000	Collective impairment allowances HK\$'000	Individual impairment allowances 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	
Manufacturing	184,396	331	0	0	0	184,396	100.00%	0	0	
Property investment	304,834	547	0	0	0	304,834	100.00%	0	0	
Wholesale and retail trade	143,087	257	0	0	0	143,087	100.00%	0	0	
Professional & private individuals - Loans for the purchase of other residential properties	140,111	251	0	0	0	140,111	100.00%	0	745	

6. LIQUIDITY INFORMATION

	THE COMPANY	
	30/6/2016	30/6/2015
	%	%
Average liquidity maintenance ratio for the six-month period	45.09%	54.54%

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.

7. LEVERAGE RATIO

	THE COMPANY	
	30/6/2016	31/12/2015
	%	%
Leverage ratio	20.51%	20.75%

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 Bank's website www.abchkl.com.hk

8. FOREIGN CURRENCY POSITION

	THE COMPANY							
	30/6/2016							
	AUD	CAD	EUR	GBP	JPY	NZD	SGD	USD
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Spot assets	22,353	10,023	965	10,208	830	4,226	308	523,436
Spot liabilities	(22,087)	(9,988)	(6,264)	(10,439)	(264)	(3,939)	0	(858,963)
Forward purchases	0	0	5,428	0	0	0	0	366,189
Forward sales	0	0	0	0	(545)	0	(218)	(28,687)
Net long / (short) position	266	35	129	(231)	21	287	90	1,975

	THE COMPANY							
	31/12/2015							
	AUD	CAD	EUR	GBP	JPY	NZD	SGD	USD
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Spot assets	21,912	9,242	851	11,358	245	4,034	87	498,279
Spot liabilities	(21,697)	(9,313)	(6,435)	(11,504)	(224)	(3,764)	0	(873,696)
Forward purchases	0	0	6,354	0	0	0	0	412,191
Forward sales	0	0	(627)	0	0	0	0	(37,343)
Net long / (short) position	215	(71)	143	(146)	21	270	87	(569)

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

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (continued)

9. 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 :

Counterparty country/jurisdiction	THE COMPANY					
	30/6/2016					
	Banks	Official	Non-bank Private Sector		Others	Total
HK\$'000	Sector	Financial	Non-	Private	HK\$'000	HK\$'000
	HK\$'000	Institutions	financial	Sector	HK\$'000	HK\$'000
		HK\$'000	Private	Others	HK\$'000	HK\$'000
			Others	Others	HK\$'000	HK\$'000
			Others	Others	HK\$'000	HK\$'000
Developed Countries	314,262	71	0	0	0	314,333
Offshore Centres	263,432	169	0	1,039,085	0	1,302,686
- of which : Hong Kong	198,378	169	0	966,327	0	1,164,874
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	31,227	0	0	0	0	31,227
International Organisations	0	0	0	0	0	0
Unallocated	0	0	0	0	0	0
Total	608,921	240	0	1,039,085	0	1,648,246

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 UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (continued)

9. INTERNATIONAL CLAIMS (continued)

Counterparty country/jurisdiction	THE COMPANY 31/12/2015					
	Banks	Official	Non-bank Private Sector		Others	Total
	HK\$'000	Sector HK\$'000	Financial Institutions HK\$'000	Non- financial Private HK\$'000	HK\$'000	HK\$'000
Developed Countries	322,246	0	0	0	0	322,246
Offshore Centres	172,963	0	0	1,061,344	0	1,234,307
- of which : Hong Kong	138,040	0	0	1,045,989	0	1,184,029
Developing Europe	0	0	0	0	0	0
Developing Latin America	0	0	0	0	0	0
Developing Africa and	0	0	0	0	0	0
Developing Asia and Pacific	31,158	0	0	0	0	31,158
International Organisations	0	0	0	0	0	0
Unallocated	0	0	0	0	0	0
Total	526,367	0	0	1,061,344	0	1,587,711

10. 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 2016 and 31 December 2015 are reported to the Hong Kong Monetary Authority are as follows :

	THE COMPANY	
	30/6/2016	31/12/2015
	%	%
Common Equity Tier 1 capital ratio	29.10	28.12
Tier 1 capital ratio	30.12	29.31
Total capital ratio	32.10	31.27

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 新聯銀行(香港)有限公司
 UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (continued)

10. 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 2016 and 31 December 2015 and reported to the Hong Kong Monetary Authority are as follows:

	THE COMPANY	
	30/6/2016	31/12/2015
	HK\$'000	HK\$'000
Common Equity Tier 1 capital : instruments and reserves		
Directly issued qualifying Common Equity Tier 1 capital instruments plus any related share premium	165,000	165,000
Retained earnings	207,872	198,713
Disclosed reserves	7,000	7,000
Common Equity Tier 1 capital before regulatory deductions	<u>379,872</u>	<u>370,713</u>
Common Equity Tier 1 capital : regulatory deductions		
Deferred tax assets net of deferred tax liabilities	0	0
Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	28,555	28,555
Total regulatory deductions to Common Equity Tier 1 capital	<u>28,555</u>	<u>28,555</u>
Common Equity Tier 1 capital	<u>351,317</u>	<u>342,158</u>
Additional Tier 1 capital : instruments		
Capital instruments subject to phase out arrangements from Additional Tier 1 capital	12,420	14,490
Additional Tier 1 capital	<u>12,420</u>	<u>14,490</u>
Tier 1 capital	<u>363,737</u>	<u>356,648</u>
Tier 2 capital : instruments and provisions		
Collective impairment allowances and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	10,997	10,997
Tier 2 capital before regulatory deductions	<u>10,997</u>	<u>10,997</u>
Tier 2 capital : regulatory deductions		
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	(12,850)	(12,850)
Total regulatory deductions to Tier 2 capital	<u>(12,850)</u>	<u>(12,850)</u>
Tier 2 capital	<u>23,847</u>	<u>23,847</u>
Total capital	<u>387,584</u>	<u>380,495</u>

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 2016 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)

11. COUNTERCYCLICAL CAPITAL BUFFER (CCyB) RATIO

	THE COMPANY <u>30/6/2016</u> %
CCyB ratio	0.625%

This is the first reporting period of disclosure made in accordance with the new requirement on Countercyclical Capital Buffer (CCyB) ratio, and provision of comparative figures is not available.

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 Bank's website www.abchkl.com.hk

12. REPOSSESSED ASSETS

There was no repossessed assets of the company as at 30 June 2016 and 31 December 2015.

13. 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.