

Ant Bank (Hong Kong) Limited

Regulatory Disclosures

**For the period ended
31 March 2025
(Unaudited)**

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Introduction

Purpose

The information contained in this document is for Ant Bank (Hong Kong) Limited (“the Bank”) prepared in accordance with the Banking (Disclosure) Rules (“BDR”) and disclosure templates issued by the Hong Kong Monetary Authority (“HKMA”).

These banking disclosures are governed by the Bank’s disclosure policy, which has been approved by the Board. The disclosure policy sets out the governance, control and assurance requirements for publication of the document. While the banking disclosure statement is not required to be externally audited, the document has been subject to independent review in accordance with the Bank’s policies on disclosure and its financial reporting and governance processes.

Basis of preparation

Except where indicated otherwise, the financial information contained in this Banking Disclosure Statement has been prepared on the basis of regulatory scope specified by the HKMA to the Bank.

The capital adequacy ratios (“CAR”) were compiled in accordance with the Banking (Capital) Rules (“BCR”) issued by the HKMA. In calculating the risk weighted assets, the Bank adopted the Standardised (Credit Risk) Approach and Simplified Standardized Approach (“SSTM”) for credit risk and market risk respectively. For operational risk, the capital requirement is calculated using the Basic Indicator Approach.

Basis of consolidation

As of 31 March 2025, the Bank does not have any subsidiaries to consolidate the financial information in this Regulatory Disclosure Statement.

KM1: Key Prudential Ratios

The following table provides an overview of the Bank's key prudential ratios which were calculated in accordance with the Banking (Capital)

Rules and Banking (Liquidity) Rules, issued by the HKMA.

<i>Amount expressed in HKD'K</i>		31 Mar 2025	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024
	Regulatory capital (amount)					
1 & 1a	Common Equity Tier 1 (CET1)	1,280,214	572,379	660,257	718,900	783,356
2 & 2a	Tier 1	1,280,214	572,379	660,257	718,900	783,356
3 & 3a	Total capital	1,303,262	593,491	673,079	733,522	794,287
	RWA (amount)					
4	Total RWA	2,018,389	1,794,706	1,803,153	1,368,534	931,891
4a	Total RWA (pre-floor)	2,018,389	1,794,706	1,803,153	1,368,534	931,891
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5 & 5a	CET1 ratio (%)	63.43%	31.89%	36.62%	52.53%	84.06%
5b	CET1 ratio (%) (pre-floor ratio)	63.43%	31.89%	36.62%	52.53%	84.06%
6 & 6a	Tier 1 ratio (%)	63.43%	31.89%	36.62%	52.53%	84.06%
6b	Tier 1 ratio (%) (pre-floor ratio)	63.43%	31.89%	36.62%	52.53%	84.06%
7 & 7a	Total capital ratio (%)	64.57%	33.07%	37.33%	53.60%	85.23%
7b	Total capital ratio (%) (pre-floor ratio)	64.57%	33.07%	37.33%	53.60%	85.23%
	Additional CET1 buffer requirements (as a percentage of RWA)					
8	Capital conservation buffer requirement (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Countercyclical capital buffer requirement (%)	0.5%	0.5%	1.0%	1.0%	1.0%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	0%	0%	0%	0%	0%
11	Total AI-specific CET1 buffer requirements (%)	3.00%	3.00%	3.50%	3.50%	3.50%
12	CET1 available after meeting the AI's minimum capital requirements (%)	55.43%	23.89%	28.62%	44.53%	76.06%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure	5,983,733	5,059,128	4,911,443	3,503,313	2,284,093
13a	LR exposure measure based on mean values of gross assets of SFTs	-	-	-	-	-
14, 14a & 14b	LR (%)	21.39%	11.31%	13.44%	20.52%	34.30%
14c & 14d	LR (%) based on mean values of gross assets of SFTs	0%	0%	0%	0%	0%
	Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)					
	Applicable to category 1 institution only:					
15	Total high quality liquid assets (HQLA)	N/A	N/A	N/A	N/A	N/A
16	Total net cash outflows	N/A	N/A	N/A	N/A	N/A
17	LCR (%)	N/A	N/A	N/A	N/A	N/A
	Applicable to category 2 institution only:					
17a	LMR (%) *	99.45%	98.88%	98.97%	112.29%	135.89%
	Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)					
	Applicable to category 1 institution only:					
18	Total available stable funding	N/A	N/A	N/A	N/A	N/A
19	Total required stable funding	N/A	N/A	N/A	N/A	N/A
20	NSFR (%)	N/A	N/A	N/A	N/A	N/A
	Applicable to category 2A institution only:					
20a	CFR (%)	N/A	N/A	N/A	N/A	N/A

* 17a LMR (%) disclosed above represents the arithmetic mean of the average value of the LMR for each calendar month within the quarter. Increase in CET1%, Tier 1%, Total Capital % and LR as of 31 March 2025 was mainly due to the capital injection in Q1 2025. Increase in LMR was mainly due to the increase in liquefiable assets.

OV1: Overview of RWA

The following table provides an overview of the capital requirements in terms of detailed breakdown of RWAs for various risks. Minimum capital requirement means the amount of capital required to be held for that risk based on its risk-weighted amount multiplied by 8%.

<i>Amount expressed in HKD'K</i>		RWA		Minimum capital requirements
		31 Mar 2025	31 Dec 2024	31 Mar 2025
1	Credit risk for non-securitization exposures	1,906,313	1,688,930	152,505
2	Of which STC approach	1,906,313	1,688,930	152,505
2a	Of which BSC approach	-	-	-
3	Of which foundation IRB approach	-	-	-
4	Of which supervisory slotting criteria approach	-	-	-
5	Of which advanced IRB approach	-	-	-
5a	Of which retail IRB approach	-	-	-
5b	Of which specific risk-weight approach	-	-	-
6	Counterparty credit risk and default fund contributions	-	-	-
7	Of which SA-CCR	-	-	-
7a	Of which CEM	-	-	-
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	N/A	N/A	N/A
13	CIS exposures – MBA	N/A	N/A	N/A
14	CIS exposures – FBA	N/A	N/A	N/A
14a	CIS exposures – combination of approaches	N/A	N/A	N/A
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	7,788	3,938	623
21	Of which STM approach	N/A	3,938	N/A
22	Of which IMA approach	N/A	N/A	N/A
22a	Of which SSTM approach	7,788	N/A	623
23	Capital charge for moving exposures between trading book and banking book	N/A	N/A	N/A
24	Operational risk	104,288	101,838	8,343
24a	Sovereign concentration risk	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% RW)	-	-	-
26	Output floor level applied	N/A	N/A	N/A
27	Floor adjustment (before application of transitional cap)	N/A	N/A	N/A
28	Floor adjustment (after application of transitional cap)	N/A	N/A	N/A
28a	Deduction to RWA	-	-	-
28b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	-	-	-
28c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	-	-	-
29	Total	2,018,389	1,794,706	161,471

Increase in credit risk for non-securitization exposures as of 31 Mar 2025 was mainly due to the increase in financial investments after capital injection in Q1.

Increase in market risk was mainly due to increase in CNY payable in Q1 2025. Increase in operational risk exposure was mainly due to the increase in gross income generated as compared with last quarter.

LR2: Leverage ratio (“LR”)

Amount expressed in HKD'K

HKD'K	
31 Mar 2025	31 Dec 2024

On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	5,727,852	4,809,603
2	Gross-up for derivative contracts collateral provided where deducted from balance sheet assets pursuant to the applicable accounting standard	-	-
3	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	-	-
4	Less: Adjustment for securities received under SFTs that are recognised as an asset	-	-
5	Less: Specific and collective provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital	(66,706)	(43,599)
6	Less: Asset amounts deducted in determining Tier 1 capital	(4,068)	(6,500)
7	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	5,657,078	4,759,504
Exposures arising from derivative contracts			
8	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	-	-
9	Add-on amounts for PFE associated with all derivative contracts	-	-
10	Less: Exempted CCP leg of client-cleared trade exposures	-	-
11	Adjusted effective notional amount of written credit-related derivative contracts	-	-
12	Less: Permitted reductions in effective notional amount and permitted deductions from add-on amounts for PFE of written credit-related derivative contracts	-	-
13	Total exposures arising from derivative contracts	-	-
Exposures arising from SFTs			
14	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	-
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
16	CCR exposure for SFT assets	-	-
17	Agent transaction exposures	-	-
18	Total exposures arising from SFTs	-	-
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	3,292,183	3,022,011
20	Less: Adjustments for conversion to credit equivalent amounts	(2,962,965)	(2,719,810)
21	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	(2,563)	(2,577)
22	Off-balance sheet items	326,655	299,624
Capital and total exposures			
23	Tier 1 capital	1,280,214	572,379
24	Total exposures	5,983,733	5,059,128
Leverage ratio			
25 & 25a	Leverage ratio	21.39%	11.31%
26	Minimum leverage ratio requirement	3.00%	3.00%
27	Applicable leverage buffers	N/A	N/A
Disclosure of mean values			
28	Mean value of gross assets of SFTs, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	-
29	Quarter-end value of gross amount of SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	-
30 & 30a	Total exposures based on mean values from row 28 of gross assets of SFTs (after adjustment for sale accounting transactions and netted amounts of associated cash payables and cash receivables)	-	-
31 & 31a	Leverage ratio based on mean values from row 28 of gross assets of SFTs (after adjustment for sale accounting transactions and netted amounts of associated cash payables and cash receivables)	-	-

Increase in Tier 1 capital and on balance sheet exposure were mainly due to capital injection during the reporting period. Increase in off-balance sheet exposure at gross notional amount was mainly due to the increase in retail loan exposures.

Glossary

<u>Abbreviations</u>	<u>Descriptions</u>	<u>Abbreviations</u>	<u>Descriptions</u>
AI	Authorized institution	SA-CCR	Standardized approach for counterparty credit risk
BCR	Banking (Capital) Rules	SEC-ERBA	securitization external ratings-based approach
BSC	Basic approach	SEC-FBA	securitization fall-back approach
CCP	Central counterparty	SEC-IRBA	securitization internal ratings-based approach
CCR	Counterparty credit risk	SEC-SA	securitization standardized approach
CCyB	Countercyclical capital buffer	SFT	Securities financing transaction
CEM	Current exposure method	SSTM	Simplified standardized approach
CET1	Common equity tier 1	STC	Standardized (credit risk) approach
CVA	Credit valuation adjustment	STM	Standardized (market risk) approach
D-SIB	Domestic systemically important authorized institution		
FBA	Fall-back approach		
G-SIB	Global systemically important banks		
HQLA	High Quality Liquid Assets		
IMM	Internal models approach		
IMM (CCR)	Internal models (counterparty credit risk) approach		
IRB	Internal ratings-based approach		
LMR	Liquidity Maintenance Ratio		
LR	Leverage Ratio		
LTA	Look through approach		
MBA	Mandate-based approach		
N/A	Not Applicable		
PFE	Potential future exposure		
RW	Risk-weight		
RWA	Risk-weighted asset/risk-weighted amount		