

# **Ant Bank (Hong Kong) Limited**

## **Regulatory Disclosures**

**For the period ended**

**30 Sept 2023**

**(Unaudited)**

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## **Introduction**

### **Purpose**

The information contained in this document is for The 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 the Standardised (Market Risk) Approach 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 30 September 2023, 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>		30 Sept 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022	30 Sept 2022
<b>Regulatory capital (amount)</b>						
1	Common Equity Tier 1 (CET1)	898,902	939,461	974,759	990,597	1,036,768
2	Tier 1	898,902	939,461	974,759	990,597	1,036,768
3	Total capital	902,334	941,257	976,003	991,934	1,037,490
<b>RWA (amount)</b>						
4	Total RWA	672,985	627,979	584,776	411,454	493,642
<b>Risk-based regulatory capital ratios (as a percentage of RWA)</b>						
5	CET1 ratio (%)	133.57%	149.60%	166.69%	240.76%	210.02%
6	Tier 1 ratio (%)	133.57%	149.60%	166.69%	240.76%	210.02%
7	Total capital ratio (%)	134.08%	149.89%	166.90%	241.08%	210.17%
<b>Additional CET1 buffer requirements (as a percentage of RWA)</b>						
8	Capital conservation buffer requirement (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Countercyclical capital buffer requirement (%)	1.0%	1.0%	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 (%)	3.5%	3.5%	3.5%	3.5%	3.50%
12	CET1 available after meeting the AI's minimum capital requirements (%)	125.57%	141.60%	158.69%	232.76%	202.02%
<b>Basel III leverage ratio</b>						
13	Total leverage ratio (LR) exposure measure	1,629,179	1,678,983	1,416,136	1,425,503	1,632,798
14	LR (%)	55.18%	55.95%	68.82%	69.49%	63.50%
<b>Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)</b>						
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 (%) *	203.54%	271.52%	294.23%	321.11%	241.81%
<b>Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)</b>						
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 RWA was mainly due to the increase in customers loans.

## 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
		30 Sept 2023	30 Jun 2023	30 Sept 2023
1	Credit risk for non-securitization exposures	611,009	579,491	48,881
2	Of which STC approach	611,009	579,491	48,881
2a	Of which BSC approach	-	-	-
3	Of which foundation IRB approach	-	-	-
4	Of which supervisory slotting criteria approach	-	-	-
5	Of which advanced IRB approach	-	-	-
6	Counterparty default 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	388	388	31
21	Of which STM approach	388	388	31
22	Of which IMM approach	-	-	-
23	Capital charge for switch between exposures in trading book and banking book (N/A before the revised market risk framework takes effect)	N/A	N/A	N/A
24	Operational risk	61,588	48,100	4,927
24a	Sovereign concentration risk	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% RW)	-	-	-
26	Capital floor adjustment	-	-	-
26a	Deduction to RWA	-	-	-
26b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	-	-	-
26c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	-	-	-
27	Total	672,985	627,979	53,839

Increase in RWA was mainly due to the increase in operational risk driven by the increase in net interest income.

**LR2: Leverage ratio (“LR”)**
*Amount expressed in HKD’K*

		HKD’K	
		30 Sept 2023	30 Jun 2023
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	1,609,528	1,681,375
2	Less: Asset amounts deducted in determining Tier 1 capital	(18,686)	(21,124)
3	<b>Total on-balance sheet exposures (excluding derivative contracts and SFTs)</b>	1,590,842	1,660,251
<b>Exposures arising from derivative contracts</b>			
4	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	-	-
5	Add-on amounts for PFE associated with all derivative contracts	-	-
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
7	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	-	-
8	Less: Exempted CCP leg of client-cleared trade exposures	-	-
9	Adjusted effective notional amount of written credit derivative contracts	-	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivative contracts	-	-
11	<b>Total exposures arising from derivative contracts</b>	-	-
<b>Exposures arising from SFTs</b>			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	-
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	-	-
15	Agent transaction exposures	-	-
16	<b>Total exposures arising from SFTs</b>	-	-
<b>Other off-balance sheet exposures</b>			
17	Off-balance sheet exposure at gross notional amount	420,653	211,209
18	Less: Adjustments for conversion to credit equivalent amounts	(378,588)	(190,088)
19	<b>Off-balance sheet items</b>	42,065	21,121
<b>Capital and total exposures</b>			
20	<b>Tier 1 capital</b>	898,902	939,462
20a	<b>Total exposures before adjustments for specific and collective provisions</b>	1,632,907	1,681,372
20b	<b>Adjustments for specific and collective provisions</b>	(3,728)	(2,389)
21	<b>Total exposures after adjustments for specific and collective provisions</b>	1,629,179	1,678,983
<b>Leverage ratio</b>			
22	<b>Leverage ratio</b>	55.18%	55.95%
Decrease in Tier 1 capital was mainly due to operating loss incurred during the reporting period.			