

Ant Bank (Hong Kong) Limited

Regulatory Disclosures

For the period ended

30 September 2024

(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 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 2024, 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 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sept 2023
Regulatory capital (amount)						
1	Common Equity Tier 1 (CET1)	660,257	718,900	783,356	830,512	898,902
2	Tier 1	660,257	718,900	783,356	830,512	898,902
3	Total capital	673,079	733,522	794,287	839,866	902,334
RWA (amount)						
4	Total RWA	1,803,153	1,368,534	931,891	821,587	672,985
Risk-based regulatory capital ratios (as a percentage of RWA)						
5	CET1 ratio (%)	36.62%	52.53%	84.06%	101.09%	133.57%
6	Tier 1 ratio (%)	36.62%	52.53%	84.06%	101.09%	133.57%
7	Total capital ratio (%)	37.33%	53.60%	85.23%	102.22%	134.08%
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 (%)	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 (%)	3.50%	3.50%	3.50%	3.50%	3.5%
12	CET1 available after meeting the AI's minimum capital requirements (%)	28.62%	44.53%	76.06%	93.09%	125.57%
Basel III leverage ratio						
13	Total leverage ratio (LR) exposure measure	4,911,443	3,503,313	2,284,093	1,666,537	1,629,179
14	LR (%)	13.44%	20.52%	34.30%	49.83%	55.18%
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 (%) *	98.97%	112.29%	135.89%	192.25%	203.54%
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. Decrease in CET1%, Tier 1%, Total Capital % and LR as of 30 September 2024 was mainly due to the increase in RWAs and operating loss for Q3 2024. Decrease in LMR was mainly due to the increase in qualifying liabilities driven by increase in deposits.

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 2024	30 Jun 2024	30 Sept 2024
1	Credit risk for non-securitization exposures	1,711,365	1,281,996	136,909
2	Of which STC approach	1,711,365	1,281,996	136,909
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	7,613	18,288	609
21	Of which STM approach	7,613	18,288	609
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	84,175	68,250	6,734
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	1,803,153	1,368,534	144,252

Increase in credit risk for non-securitization exposures as of 30 Sept 2024 was mainly due to the increase in financial investments. Decrease in market risk was mainly due to decrease in CNY payable in Q3 2024. 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	
		30 Sept 2024	30 Jun 2024
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	4,676,079	3,323,300
2	Less: Asset amounts deducted in determining Tier 1 capital	(8,937)	(11,375)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	4,667,142	3,311,925
Exposures arising from derivative contracts			
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	Total exposures arising from derivative contracts	-	-
Exposures arising from SFTs			
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	Total exposures arising from SFTs	-	-
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	2,742,796	2,086,214
18	Less: Adjustments for conversion to credit equivalent amounts	(2,468,516)	(1,877,593)
19	Off-balance sheet items	274,280	208,621
Capital and total exposures			
20	Tier 1 capital	660,257	718,900
20a	Total exposures before adjustments for specific and collective provisions	4,941,422	3,520,546
20b	Adjustments for specific and collective provisions	(29,979)	(17,233)
21	Total exposures after adjustments for specific and collective provisions	4,911,443	3,503,313
Leverage ratio			
22	Leverage ratio	13.44%	20.52%
Decrease in Tier 1 capital was mainly due to operating loss incurred during the reporting period. Increase in off-balance sheet exposure at gross notional amount was mainly due to the increase in retail loan exposures. Increase in on-balance sheet exposure was mainly due to the increase in customer deposits.			