



PING AN ONECONNECT BANK (HONG KONG) LIMITED
(平安壹賬通銀行(香港)有限公司)

REGULATORY DISCLOSURE STATEMENT (Unaudited)

AS AT 30 September 2023

PING AN ONECONNECT BANK (HONG KONG) LIMITED
(平安壹賬通銀行(香港)有限公司)

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1. Introduction

General information

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

Basis of preparation

The capital adequacy ratios of the Bank were calculated in accordance with Banking (Capital) Rules (“BCR”) of the Banking Ordinance. The Bank adopted the following approach to calculate its capital charge for:

Credit risk: Standardised (Credit Risk) Approach;

Market risk: Standardised (Market Risk) Approach;

Operational Risk: Alternative approach communicated to HKMA pursuant to section 340 of the BCR.

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2. Key prudential ratios

2.1 KM1: Key prudential ratios

The following table provides an overview of the Bank's key prudential ratios.

	(a)	(b)	(c)	(d)	(e)	
	At 30 Sep 2023	At 30 Jun 2023	At 31 Mar 2023	At 31 Dec 2022	At 30 Sep 2022	
HK\$'000						
	Regulatory capital (amount)					
1	Common Equity Tier 1 (CET1)	593,786	626,890	663,941	707,422	737,185
2	Tier 1	593,786	626,890	663,941	707,422	737,185
3	Total capital	601,590	633,133	670,286	715,373	744,551
	RWA (amount)					
4	Total RWA	772,903	632,966	615,426	728,011	692,380
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5	CET1 ratio (%)	76.8%	99.0%	107.9%	97.2%	106.5%
6	Tier 1 ratio (%)	76.8%	99.0%	107.9%	97.2%	106.5%
7	Total capital ratio (%)	77.8%	100.0%	108.9%	98.3%	107.5%
	Additional CET1 buffer requirements (as a percentage of RWA)					
8	Capital conservation buffer requirement (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9	Countercyclical capital buffer requirement (%)	0.998%	0.997%	0.996%	0.998%	0.996%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	NA	NA	NA	NA	NA
11	Total AI-specific CET1 buffer requirements (%)	3.498%	3.497%	3.496%	3.498%	3.496%
12	CET1 available after meeting the AI's minimum capital requirements (%)	69.8%	92.0%	100.9%	90.3%	99.5%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure	3,129,120	2,943,100	2,804,969	3,052,557	2,728,791
14	LR (%)	19.0%	21.3%	23.7%	23.2%	27.0%
	Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)					
	Applicable to category 1 institution only:					
15	Total high quality liquid assets (HQLA)	NA	NA	NA	NA	NA
16	Total net cash outflows	NA	NA	NA	NA	NA
17	LCR (%)	NA	NA	NA	NA	NA
	Applicable to category 2 institution only:					
17a	LMR (%)	85.1%	78.5%	109.1%	124.8%	84.2%
	Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)					
	Applicable to category 1 institution only:					
18	Total available stable funding	NA	NA	NA	NA	NA
19	Total required stable funding	NA	NA	NA	NA	NA
20	NSFR (%)	NA	NA	NA	NA	NA
	Applicable to category 2A institution only:					
20a	CFR (%)	NA	NA	NA	NA	NA

Decrease in CET1%, Tier 1% and Total Capital % as of 30 September 2023 was mainly due to the increase in RWAs on credit RWA of bank exposures and operating loss for Q3 2023.

Decrease in Leverage ratio was mainly due to the decrease in Tier 1 capital base.

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3. Overview of risk-weighted amount

3.1 OV1: Overview of risk-weighted amount (“RWA”)

The following table provides an overview of capital requirements in terms of a detailed breakdowns of RWAs for various risks.

HK\$'000		(a)	(b)	(c)
		RWA		Minimum capital requirements
		30 Sep 2023	30 Jun 2023	30 Sep 2023
1	Credit risk for non-securitization exposures	624,319	499,442	49,946
2	Of which STC approach	624,319	499,442	49,946
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 approach	-	-	-
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	NA	NA	NA
13	CIS exposures – MBA	NA	NA	NA
14	CIS exposures – FBA	NA	NA	NA
14a	CIS exposures – combination of approaches	NA	NA	NA
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	29,713	27,588	2,377
21	Of which STM approach	29,713	27,588	2,377
22	Of which IMM approach	-	-	-
23	Capital charge for switch between exposures in trading book and banking book (not applicable before the revised market risk framework takes effect)	NA	NA	NA
24	Operational risk	119,950	107,938	9,596
24a	Sovereign concentration risk	NA	NA	NA
25	Amounts below the thresholds for deduction (subject to 250% RW)	-	-	-
26	Capital floor adjustment	-	-	-
26a	Deduction to RWA	1,079	2,002	86
26b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	1,079	2,002	86
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	772,903	632,966	61,832

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4. Leverage ratio

4.1 LR2: Leverage ratio

The table below provides a detailed breakdown of the components of the LR denominator.

HK\$'000		(a)	(b)
		As at 30 Sep 2023	As at 30 Jun 2023
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	3,269,655	3,091,701
2	Less: Asset amounts deducted in determining Tier 1 capital	(128,384)	(135,115)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	3,141,271	2,956,586
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 collateral provided in respect of derivatives contracts 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-related derivative contracts	–	–
10	Less: Adjusted effective notional offsets and add-on deductions for written credit-related 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	3,577	966
18	Less: Adjustments for conversion to credit equivalent amounts	(3,219)	(869)
19	Off-balance sheet items	358	97
Capital and total exposures			
20	Tier 1 capital	593,786	626,890
20a	Total exposures before adjustments for specific and collective provisions	3,141,629	2,956,683
20b	Adjustments for specific and collective provisions	(12,509)	(13,583)
21	Total exposures after adjustments for specific and collective provisions	3,129,120	2,943,100
Leverage ratio			
22	Leverage ratio	19.0%	21.3%

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5. Abbreviations

Abbreviations	Brief Description
AI	Authorized Institution
BCR	Banking Capital Rules
BDR	Banking Disclosure Rules
BSC	Basic Approach
CCP	Central Counterparty
CCR	Counterparty Credit Risk
CEM	Current Exposure Method
CET1	Common Equity Tier 1
CFR	Core Funding Ratio
CIS	Collective Investment Scheme
CVA	Credit Valuation Adjustment
D-SIB	Domestic Systemically Important Authorized Institution
FBA	Fall-Back Approach
G-SIB	Global Systemically Important Authorized Institution
HQLA	High Quality Liquid Assets
IAA	Internal Assessment Approach
IMM	Internal Models Method
IMM (CCR)	Internal Models Method (Counterparty Credit Risk)
IRB	Internal Ratings-Based
LCR	Liquidity Coverage Ratio
LMR	Liquidity Maintenance Ratio
LR	Leverage Ratio
LTA	Look Through Approach
MBA	Mandate-based Approach
NA	Not Applicable
NSFR	Net Stable Funding Ratio
PFE	Potential Future Exposure
RW	Risk Weight
RWA	Risk Weighted Amount
SA-CCR	Standardized Approach (Counterparty Credit Risk)
SEC-ERBA	Securitization External Ratings-Based Approach
SEC-FBA	Securitization Fall-back Approach
SEC-IRBA	Securitization Internal Ratings-Based Approach
SEC-SA	Securitization Standardized Approach
SFT	Securities Financing Transaction
STC	Standardized (Credit Risk)
STM	Standardized (Market Risk)