

**PING AN BANK CO., LTD.,  
HONG KONG BRANCH**

**Interim Financial Disclosure Statement 2020  
(Unaudited)**

## Contents

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In compliance with the disclosure standards set out in the Banking (Disclosure) Rules, the following key financial information (unaudited) is presented as follows, which is also available at the office of Ping An Bank Co., Ltd., Hong Kong Branch (the “Branch”) (42/F, One Exchange Square, Central, Hong Kong) and the official website of the Hong Kong Monetary Authority (the “HKMA”), ([www.hkma.gov.hk](http://www.hkma.gov.hk)) and Ping An Bank Co., Ltd. ([bank.pingan.com](http://bank.pingan.com)).

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## Income Statement

For the half-year ended 30 June 2020

	Half-year ended 30 June 2020 <u>HK\$'000</u>
Interest income	109,164
Interest expenses	(94,456)
<b>Net interest income</b>	<b>14,708</b>
Gains less losses arising from trading in foreign currencies	11,506
Gains less losses arising from other trading activities	(38)
Net fee and commission income	6,943
- <i>Fee and commission income</i>	7,915
- <i>Fee and commission expenses</i>	(972)
<b>Operating income</b>	<b>33,119</b>
Staff expenses	(26,515)
Rental expenses	(15,529)
Other operating expenses	(9,578)
<b>Operating expenses</b>	<b>(51,622)</b>
<b>Operating loss before impairment</b>	<b>(18,503)</b>
Net charge for impairment allowances	(146,476)
<b>Loss before taxation</b>	<b>(164,979)</b>
Taxation	-
<b>Loss for the period</b>	<b>(164,979)</b>

The Branch commenced the business on 16 December 2019, and thus does not have comparative figures.

## Balance Sheet

30 June 2020

	30 June 2020	31 December 2019
	<u>HK\$'000</u>	<u>HK\$'000</u>
<b>Assets</b>		
Cash and balances with banks	6,240,331	2,900,510
Investment securities	5,691,048	463,912
Loans and advances to customers	6,024,622	778,658
Accrued interest receivable	64,341	2,855
Fixed assets	26,964	-
Other assets	59,179	165
Impairment allowances	(115,439)	(15,946)
<b>Total Assets</b>	<b>17,991,046</b>	<b>4,130,154</b>
<b>Reserves and Liabilities</b>		
Deposits and balances from banks	5,742,880	253,597
Deposits from customers		
- Saving deposits	1,007,370	17
- Time, call and notice deposits	8,113,005	2,528,190
Amount due to head office	3,170,719	1,175,601
Accrued interest payables	26,498	2,313
Other liabilities	71,101	226,710
<b>Total Liabilities</b>	<b>18,131,573</b>	<b>4,186,428</b>
<b>Reserves</b>		
Other reserves	83,313	2,587
Accumulated losses	(223,840)	(58,861)
<b>Total Reserves and Liabilities</b>	<b>17,991,046</b>	<b>4,130,154</b>

## Supplementary Information

30 June 2020

### 1) Impairment allowances

	30 June 2020		31 December 2019	
	Collectively assessed	Individually assessed	Collectively assessed	Individually assessed
	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>
Balances with banks	14,159	-	9,943	-
Loans and advances to customers	101,280	-	6,003	-
	<u>115,439</u>	<u>-</u>	<u>15,946</u>	<u>-</u>

### 2) Impaired, overdue and rescheduled loans and advances to customers

As at 30 June 2020 and 31 December 2019, the Branch has no impaired, overdue and rescheduled loans and advances to customers.

### 3) Loan and advances to customers

#### (a) Breakdown by industry sectors

	30 June 2020		31 December 2019	
	<u>HK\$'000</u>	<u>% covered by</u>	<u>HK\$'000</u>	<u>% covered by</u>
		<u>collateral</u>		<u>collateral</u>
Industrial, commercial and financial				
Property investment	232,505	-	-	-
Stockbrokers	500,000	-	-	-
Others	116,253	-	-	-
Loans for use in Hong Kong	848,758	-	-	-
Loans for use outside Hong Kong	5,175,864	-	778,658	-
	<u>6,024,622</u>	<u>-</u>	<u>778,658</u>	<u>-</u>

#### (b) Breakdown by geographical segments

	30 June 2020	31 December 2019
	<u>HK\$'000</u>	<u>HK\$'000</u>
Hong Kong	848,758	-
Mainland China	5,175,864	778,658
	<u>6,024,622</u>	<u>778,658</u>

The above analysis is based on the location of the counterparties after taking into account the transfer of risk. In general, the transfer of risk applies when an advance is guaranteed by a party in a country different from that of the counterparty.

## Supplementary Information

30 June 2020

### 4) International claims

	30 June 2020				Total
	Banks	Official sector	HK\$ millions		
			Non-bank private sector		
			Non-bank financial institutions	Non-financial private sector	
<b>Developed Countries</b>					
United States	246	-	-	-	246
<b>Developing Asia Pacific</b>					
Mainland China	4,446	-	3,061	5,793	13,300
<b>Offshore Centres</b>					
Hong Kong	223	219	244	993	1,679
	4,915	219	3,305	6,786	15,225

	31 December 2019				Total
	Banks	Official sector	HK\$ millions		
			Non-bank private sector		
			Non-bank financial institutions	Non-financial private sector	
<b>Developed countries</b>					
United States	492	-	-	-	492
<b>Developing Asia Pacific</b>					
Mainland China	2,124	236	286	780	3,426
<b>Offshore Centres</b>					
Hong Kong	64	-	-	-	64
	2,680	236	286	780	3,982

The information on International claims discloses exposures to foreign counterparties of which the location of the ultimate risk is determined after taking into account any risk transfer. In general, a transfer of risk takes place if a claim is guaranteed by a party in a country different from that of the counterparty, or a claim is on an overseas branch of a bank whose head office is located in another country.

## Supplementary Information

30 June 2020

### 5) Non-bank Mainland exposures

30 June 2020

HK\$'000

	On-balance sheet exposures	Off-balance sheet exposures	Total	Individually assessed impairment allowances
Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	2,188,014	210,362	2,398,376	-
Local government, local government owned entities and their subsidiaries and JVs	2,423,560	-	2,423,560	-
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	6,541,995	192,252	6,734,247	-
<b>Total</b>	<b>11,153,569</b>	<b>402,614</b>	<b>11,556,183</b>	<b>-</b>
<b>Total assets after provisions</b>	<b>17,991,046</b>			
<b>On-Balance Sheet exposure as % of total assets</b>	<b>62.00%</b>			

31 December 2019

HK\$'000

	On-balance sheet exposures	Off-balance sheet exposures	Total	Individually assessed impairment allowances
Local government, local government owned entities and their subsidiaries and JVs	356,622	-	356,622	-
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	109,791	-	109,791	-
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	778,767	-	778,767	-
<b>Total</b>	<b>1,245,180</b>	<b>-</b>	<b>1,245,180</b>	<b>-</b>
<b>Total assets after provisions</b>	<b>4,130,154</b>			
<b>On-Balance Sheet exposure as % of total assets</b>	<b>30.15%</b>			

## Supplementary Information

30 June 2020

### 6) Currency risk

	30 June 2020		
	<u>HK\$ millions</u>		
	<u>USD</u>	<u>CNY</u>	<u>Total</u>
Spot assets	11,994	2,800	14,794
Spot liabilities	(11,049)	(4,028)	(15,077)
Forward purchases	557	1,424	1,981
Forward sales	(1,415)	(219)	(1,634)
Net options position	-	-	-
Net long (short) position	<u>87</u>	<u>(23)</u>	<u>64</u>
Net structural position	<u>-</u>	<u>-</u>	<u>-</u>

  

	31 December 2019		
	<u>HK\$ millions</u>		
	<u>USD</u>	<u>CNY</u>	<u>Total</u>
Spot assets	1,738	2,188	3,926
Spot liabilities	(1,737)	(2,189)	(3,926)
Forward purchases	-	-	-
Forward sales	-	-	-
Net options position	-	-	-
Net long (short) position	<u>1</u>	<u>(1)</u>	<u>-</u>
Net structural position	<u>-</u>	<u>-</u>	<u>-</u>

The net position in particular foreign currency is disclosed if the net position (in absolute terms) constitutes 10% or more of the total net position in all foreign currencies. The net options position is calculated using the delta equivalent approach.



## Supplementary Information

30 June 2020

### 7) Off-balance Sheet exposures

#### (a) Contingent liabilities and commitments

	30 June 2020	31 December 2019
	<u>HK\$'000</u>	<u>HK\$'000</u>
Direct credit substitutes	–	–
Trade-related contingencies	–	–
Other commitments	694,877	–
Others	387,509	–

#### (b) Derivatives

	30 June 2020	31 December 2019
	<u>HK\$'000</u>	<u>HK\$'000</u>
Contract amount		
- Exchange rate contracts	1,981,523	–
- Interest rate contracts	9,420,167	–
Fair value		
- Exchange rate contracts	9,389	–
- Interest rate contracts	(38)	–

The above contracts are not subject to any bilateral netting arrangements.

### 8) Liquidity

	For the quarter ended 30 June 2020	For the quarter ended 31 March 2020
Average liquidity maintenance ratio	<u>106.27%</u>	<u>197.08%</u>

The average liquidity maintenance ratio is calculated based on the arithmetic mean of the average values reported for each month during the quarter in the Return of Liquidity Position submitted by the Branch to the HKMA pursuant to Section 63 of the Banking Ordinance.

## Consolidated Financial Statements

Ping An Bank Co., Ltd.

### (a) Capital adequacy ratio and shareholder's fund

	<b>30 June 2020</b>	<b>31 December 2019</b>
	<u>RMB millions</u>	<u>RMB millions</u>
Capital adequacy ratio	13.96%	13.22%
Shareholders' equity	351,397	312,983

The capital adequacy ratio above is calculated in accordance with the guidelines issued by the China Banking and Insurance Regulatory Commission, and is not calculated according to the documents as stated in Section 105(a) of the Banking (Disclosure) Rules.

### (b) Other financial information

	<b>30 June 2020</b>	<b>31 December 2019</b>
	<u>RMB millions</u>	<u>RMB millions</u>
Total assets	4,178,622	3,939,070
Total liabilities	3,827,225	3,626,087
Total loans and advances	2,508,408	2,323,205
Total customer deposits	2,486,121	2,436,935
	<b>Half-year ended</b>	<b>Half-year ended</b>
	<b>30 June 2020</b>	<b>30 June 2019</b>
	<u>RMB millions</u>	<u>RMB millions</u>
Pre-tax profit	17,587	20,003

1 CNY = 1.1177 HKD at 31 December 2019

1 CNY = 1.0954 HKD at 30 June 2020

## Compliance Statement

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The Ping An Bank Co., Ltd., Hong Kong Branch's 2020 interim financial disclosure statements are prepared in full compliance with the requirements set out in the Banking (Disclosure) Rules and the Supervisory Policy Manual (SPM) module CA-D-1 "Guideline on the Application of the Banking (Disclosure) Rules" issued by the HKMA.



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Sun Li  
Chief Executive  
Ping An Bank Co., Ltd., Hong Kong Branch

28 September 2020