



PING AN ONECONNECT BANK (HONG KONG) LIMITED

INTERIM REPORT

FOR THE SIX MONTHS ENDED 30 JUNE 2023

Ping An OneConnect Bank (Hong Kong) Limited

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PING AN ONECONNECT BANK (HONG KONG) LIMITED

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PING AN ONECONNECT BANK (HONG KONG) LIMITED

Report on Review of Interim Financial Information To the Board of Directors of Ping An OneConnect Bank (Hong Kong) Limited (incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 2 to 16, which comprises the condensed statement of financial position of Ping An OneConnect Bank (Hong Kong) Limited (the “Bank”) as at 30 June 2023 and the condensed statement of comprehensive income, the condensed statement of changes in equity and the condensed statement of cash flows for the six-month period then ended, and selected explanatory notes. The directors are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Bank is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 21 September 2023

PING AN ONECONNECT BANK (HONG KONG) LIMITED

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (unaudited)

	Note	Six months ended 30 June 2023 HK\$'000	Six months ended 30 June 2022 HK\$'000
Interest income	3(a)	75,108	55,052
Interest expense	3(b)	(36,805)	(8,556)
Net interest income		38,303	46,496
Fees and commission income	4	23	143
Other income	5	–	1,600
Net operating income		38,326	48,239
Staff costs	6	(54,699)	(58,829)
Premises and equipment expenses	6	(1,575)	(2,412)
Other operating expenses	6	(62,663)	(60,175)
Total operating expenses	6	(118,937)	(121,416)
Loss before expected credit losses		(80,611)	(73,177)
Charge for expected credit losses	7	(6,610)	(4,982)
Loss before income tax		(87,221)	(78,159)
Income tax expenses	8	–	–
Loss after income tax		(87,221)	(78,159)
Other comprehensive income:			
Items may be reclassified subsequently to profit or loss:			
– Changes in the fair value of debt instruments at fair value through other comprehensive income (“FVOCI”)		1,146	4,323
Other comprehensive income, net of tax		1,146	4,323
Total comprehensive income		(86,075)	(73,836)

The notes on pages 6 to 16 form part of this interim financial information.

PING AN ONECONNECT BANK (HONG KONG) LIMITED

CONDENSED STATEMENT OF FINANCIAL POSITION (unaudited)

	Note	As at 30 June 2023 HK\$'000	As at 31 December 2022 HK\$'000
Assets			
Balances with banks and central bank	9	210,255	258,965
Placements with and advances to banks	10	399,982	466,760
Investment securities	11	477,892	495,858
Loans and advances to customers	12	1,815,595	1,786,060
Property, plant and equipment	13	2,125	2,114
Intangible assets	14	135,115	140,477
Right-of-use assets	15(a)	9,379	13,639
Other assets	16	27,776	28,761
Total assets		<u>3,078,119</u>	<u>3,192,634</u>
Liabilities			
Repurchase agreement at amortized cost	19	100,000	100,000
Deposits from customers	17	2,121,962	2,147,077
Amounts due to related companies	23	32,517	32,211
Other payables and accruals	18	49,455	48,791
Lease liability	15(a)	12,179	16,656
Total liabilities		<u>2,316,113</u>	<u>2,344,735</u>
Equity			
Share capital	20	1,500,000	1,500,000
Accumulated loss		(753,826)	(666,605)
Other reserves		15,832	14,504
Total equity		<u>762,006</u>	<u>847,899</u>
Total liabilities and equity		<u>3,078,119</u>	<u>3,192,634</u>

The notes on pages 6 to 16 form part of this interim financial information.

PING AN ONECONNECT BANK (HONG KONG) LIMITED

CONDENSED STATEMENT OF CHANGES IN EQUITY (unaudited)

	Note	Other reserves				Total equity HK\$'000
		Share capital HK\$'000	Accumulated loss HK\$'000	FVOCI reserve HK\$'000	Share-based compensation reserve (Note 1) HK\$'000	
At 1 January 2022		1,200,000	(509,906)	(18)	7,572	697,648
Change in equity for the period:						
Capital contributions from immediate holding company	20	-	-	-	-	-
Loss for the period		-	(78,159)	-	-	(78,159)
Other comprehensive income		-	-	4,323	-	4,323
Movement in respect of share-based compensation	6	-	-	-	611	611
At 30 June 2022		<u>1,200,000</u>	<u>(588,065)</u>	<u>4,305</u>	<u>8,183</u>	<u>624,423</u>
Change in equity for the period:						
Capital contributions from immediate holding company	20	300,000	-	-	-	300,000
Loss for the period		-	(78,540)	-	-	(78,540)
Other comprehensive income		-	-	1,638	-	1,638
Movement in respect of share-based compensation		-	-	-	378	378
At 31 December 2022		<u>1,500,000</u>	<u>(666,605)</u>	<u>5,943</u>	<u>8,561</u>	<u>847,899</u>
Change in equity for the period:						
Capital contributions from immediate holding company	20	-	-	-	-	-
Loss for the period		-	(87,221)	-	-	(87,221)
Other comprehensive income		-	-	1,146	-	1,146
Movement in respect of share-based compensation	6	-	-	-	182	182
At 30 June 2023		<u>1,500,000</u>	<u>(753,826)</u>	<u>7,089</u>	<u>8,743</u>	<u>762,006</u>

Note 1: The share-based compensation reserve is to record the corresponding amount of shares and share options granted by OneConnect Financial Technology Co. Ltd. ("OCFT"), the ultimate holding company of the Bank, to the Bank's employees.

The notes on pages 6 to 16 form part of this interim financial information.

PING AN ONECONNECT BANK (HONG KONG) LIMITED

CONDENSED STATEMENT OF CASH FLOWS (unaudited)

	Note	Six months ended 30 June 2023 HK\$'000	Six months ended 30 June 2022 HK\$'000
Cash flows from operating activities			
Loss before taxation		(87,221)	(78,159)
Adjustment for:			
Foreign exchange gain		(2,579)	–
Charge for expected credit losses	7	6,610	4,982
Depreciation and amortisation		18,378	20,512
Share-based compensation		182	611
Interest income	3(a)	(75,108)	(55,052)
Interest expense	3(b)	36,805	8,556
Cash flows before changes in operation activities		(102,933)	(98,550)
Changes in loans and advances to customers		(36,178)	(343,538)
Changes in balances and placements with banks with original maturity over three months		144	(150,000)
Changes in other assets		704	(8,552)
Changes in deposits from customers		(25,115)	437,384
Changes in amounts due to related companies		1,494	(52,997)
Changes in other payable and accruals		(4,862)	1,304
Cash used in operating activities		(166,746)	(214,949)
Interest received		75,391	53,993
Interest paid		(31,651)	(5,981)
Net cash used in operating activities		(123,006)	(166,937)
Cash flows from investing activities			
Purchase of property, plant and equipment		(574)	(300)
Addition of intangible assets		(9,121)	(22,643)
Investments in investment securities at FVOCI		19,851	(229,356)
Net cash (used in)/generated from investing activities		10,156	(252,299)
Cash flows from financing activities			
Principal elements of lease payments		(3,119)	(3,122)
Net cash used in financing activities		(3,119)	(3,122)
Net decrease in cash and cash equivalents		(115,969)	(422,358)
Cash and cash equivalents at 1 January		575,746	936,026
Effect of exchange rate and other changes on cash and cash equivalents		478	–
Cash and cash equivalents at 30 June	22	460,255	513,668

The notes on pages 6 to 16 form part of this interim financial information.

PING AN ONECONNECT BANK (HONG KONG) LIMITED

NOTES TO THE INTERIM FINANCIAL INFORMATION (unaudited)

1. General information

The Bank is a wholly-owned subsidiary of OneConnect Financial Technology Co., Ltd. (“OCFT”) and it is an associated company of Ping An Insurance (Group) Company of China. The Bank is a licensed bank registered under the Hong Kong Banking Ordinance.

2. Basis of preparation

(a) Material accounting policies

The unaudited interim financial information has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting”, issued by the Hong Kong Institute of Certified Public Accountants. Except for the initial adoption of the effective amendments to Hong Kong Financial Reporting Standards (“HKFRS”), the material accounting policies adopted and preparation basis of the unaudited interim financial information are consistent with those described in the Bank’s annual report 2022.

The preparation of interim financial information requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Bank’s accounting policies.

The significant judgement made by management in applying the Bank’s accounting policies and the key approaches of estimation are consistent with those adopted in, and shall be read in conjunction with the Bank’s annual report 2022.

(b) Requirement in connection with publication of interim financial information

The financial information relating to the year ended 31 December 2022 that is included in the interim financial information for the six months ended 30 June 2023 as comparative information does not constitute the Bank’s statutory annual financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

As the Bank is a private company, the Bank is not required to deliver its financial statements to the Registrar of Companies, and has not done so.

The Bank’s auditor has reported on the financial statements for the year ended 31 December 2022. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

PING AN ONECONNECT BANK (HONG KONG) LIMITED

NOTES TO THE INTERIM FINANCIAL INFORMATION (unaudited)

3. Interest income and interest expense

	Six months ended 30 June 2023 HK\$'000	Six months ended 30 June 2022 HK\$'000
(a) Interest income		
Financial assets at amortized cost	8,928	2,079
Financial assets at fair value through other comprehensive income	66,180	52,973
	<u>75,108</u>	<u>55,052</u>
(b) Interest expense		
Financial liabilities at amortized cost	36,532	8,470
Lease liability (Note 15(b))	273	86
	<u>36,805</u>	<u>8,556</u>

4. Fees and commission income

	Six months ended 30 June 2023 HK\$'000	Six months ended 30 June 2022 HK\$'000
Agency services	–	43
Others	23	100
	<u>23</u>	<u>143</u>

5. Other income

	Six months ended 30 June 2023 HK\$'000	Six months ended 30 June 2022 HK\$'000
Government grant	–	1,600
	<u>–</u>	<u>1,600</u>

PING AN ONECONNECT BANK (HONG KONG) LIMITED

NOTES TO THE INTERIM FINANCIAL INFORMATION (unaudited)

6. Operating expenses

	Note	Six months ended 30 June 2023 HK\$'000	Six months ended 30 June 2022 HK\$'000
Staff costs			
– Salaries and other short term benefits		53,339	57,167
– Pension		1,178	1,051
– Share-based compensation		182	611
Premises and equipment expense, excluding depreciation		1,575	2,412
Legal and consultancy fee		1,680	1,996
Software licensing and other IT cost		28,610	16,159
Depreciation of property, plant and equipment		563	2,733
Amortisation of intangible assets		14,483	14,904
Depreciation of right-of-use assets	15(b)	3,332	2,875
Auditor's remuneration		1,185	1,043
Other operating expenses		12,810	20,465
		<u>118,937</u>	<u>121,416</u>

7. Charge for expected credit losses

	Six months ended 30 June 2023 HK\$'000	Six months ended 30 June 2022 HK\$'000
Placements with and advances to banks	(3)	26
Investment securities	(30)	18
Loans and advances to customers	6,643	4,938
	<u>6,610</u>	<u>4,982</u>

8. Income tax expenses

	Six months ended 30 June 2023 HK\$'000	Six months ended 30 June 2022 HK\$'000
Current tax	–	–
Deferred tax	–	–
	<u>–</u>	<u>–</u>
Total tax expenses	<u>–</u>	<u>–</u>

The applicable Hong Kong profits tax rate is 16.5% (2022: 16.5%). No provision for Hong Kong profits tax has been made (first half of 2022: Nil) as the Bank had no estimated assessable profits for the periods.

PING AN ONECONNECT BANK (HONG KONG) LIMITED

NOTES TO THE INTERIM FINANCIAL INFORMATION (unaudited)

9. Balances with banks and central bank

	As at 30 June 2023 HK\$'000	As at 31 December 2022 HK\$'000
Balances with central bank	188,482	240,339
Balances with banks	21,773	18,626
Less: Expected credit loss provision	–	–
	<u>210,255</u>	<u>258,965</u>

10. Placements with and advances to banks

	As at 30 June 2023 HK\$'000	As at 31 December 2022 HK\$'000
Placements with and advances to banks		
– Maturity within one month	250,000	166,781
– Maturity between one month and one year	150,000	300,000
Less: Expected credit loss provision (Stage 1)	(18)	(21)
	<u>399,982</u>	<u>466,760</u>

There were no overdue, impaired or rescheduled placements with and advances to banks for the periods.

11. Investment securities

	As at 30 June 2023 HK\$'000	As at 31 December 2022 HK\$'000
At fair value through OCI:		
Exchange fund bills	169,084	116,728
Debt securities	308,808	379,130
	<u>477,892</u>	<u>495,858</u>

PING AN ONECONNECT BANK (HONG KONG) LIMITED

NOTES TO THE INTERIM FINANCIAL INFORMATION (unaudited)

12. Loans and advances to customers

	As at 30 June 2023 HK\$'000	As at 31 December 2022 HK\$'000
At fair value through OCI (Note a)	1,813,017	1,786,011
At amortized cost	2,656	49
Less: Expected credit loss provision (Stage 1 & Stage 2)	(78)	–
	<u>1,815,595</u>	<u>1,786,060</u>

Note a: The fair value includes expected credit loss provision for Stage 1 and 2 of HK\$8,150,000 (2022: HK\$10,949,000) and Stage 3 of HK\$5,338,000 (2022: HK\$2,485,000).

13. Property, plant and equipment

	Equipment HK\$'000	Leasehold improvements HK\$'000	Total HK\$'000
At 1 January 2023			
Opening net book amount	2,114	–	2,114
Additions	574	–	574
Depreciation charge	(563)	–	(563)
Closing net book amount	<u>2,125</u>	<u>–</u>	<u>2,125</u>
At 30 June 2023			
Cost	6,823	9,905	16,728
Accumulated depreciation	(4,698)	(9,905)	(14,603)
Net book amount	<u>2,125</u>	<u>–</u>	<u>2,125</u>
At 1 January 2022			
Opening net book amount	3,302	1,824	5,126
Additions	338	82	420
Depreciation charge	(1,526)	(1,906)	(3,432)
Closing net book amount	<u>2,114</u>	<u>–</u>	<u>2,114</u>
At 31 December 2022			
Cost	6,250	9,905	16,155
Accumulated depreciation	(4,136)	(9,905)	(14,041)
Net book amount	<u>2,114</u>	<u>–</u>	<u>2,114</u>

PING AN ONECONNECT BANK (HONG KONG) LIMITED

NOTES TO THE INTERIM FINANCIAL INFORMATION (unaudited)

14. Intangible assets

	Acquired Software HK\$'000	Internally developed software HK\$'000	Total HK\$'000
At 1 January 2023			
Opening net book amount	15,543	124,934	140,477
Additions	165	8,956	9,121
Amortisation charge	(1,377)	(13,106)	(14,483)
Closing net book amount	<u>14,331</u>	<u>120,784</u>	<u>135,115</u>
At 30 June 2023			
Cost	32,207	183,735	215,942
Accumulated amortisation	(17,876)	(62,951)	(80,827)
Net book amount	<u>14,331</u>	<u>120,784</u>	<u>135,115</u>
At 1 January 2022			
Opening net book amount	14,102	127,642	141,744
Additions	7,931	21,850	29,781
Amortisation charge	(6,490)	(24,558)	(31,048)
Closing net book amount	<u>15,543</u>	<u>124,934</u>	<u>140,477</u>
At 31 December 2022			
Cost	32,041	174,779	206,820
Accumulated amortisation	(16,498)	(49,845)	(66,343)
Net book amount	<u>15,543</u>	<u>124,934</u>	<u>140,477</u>

15. Leases

(a) Amount recognized in the statement of financial position

	As at 30 June 2023 HK\$'000	As at 31 December 2022 HK\$'000
Right-of-use assets	<u>9,379</u>	<u>13,639</u>
Lease liability		
– Current	4,513	5,902
– Non current	7,666	10,754
	<u>12,179</u>	<u>16,656</u>

PING AN ONECONNECT BANK (HONG KONG) LIMITED

NOTES TO THE INTERIM FINANCIAL INFORMATION (unaudited)

15. Leases (continued)

(b) Amount recognized in the statement of comprehensive income

	Six months ended 30 June 2023 HK\$'000	Six months ended 30 June 2022 HK\$'000
Depreciation charge of right-of-use assets (Note 6)	3,332	2,875
Interest expense (Note 3(b))	273	86

16. Other assets

	As at 30 June 2023 HK\$'000	As at 31 December 2022 HK\$'000
Prepaid expenses	7,123	5,937
Rental and other deposits	5,060	5,060
Prepaid interest	7,341	9,228
Accrued interests	8,252	8,536
	27,776	28,761

17. Deposits from customers

	As at 30 June 2023 HK\$'000	As at 31 December 2022 HK\$'000
Savings deposits	323,330	272,293
Fixed deposits	1,798,632	1,874,784
	2,121,962	2,147,077

18. Other payables and accruals

	As at 30 June 2023 HK\$'000	As at 31 December 2022 HK\$'000
Accruals for employee benefits	10,018	13,713
Accrued interests for customer deposits	17,490	12,609
Other accruals	21,947	22,469
	49,455	48,791

PING AN ONECONNECT BANK (HONG KONG) LIMITED

NOTES TO THE INTERIM FINANCIAL INFORMATION (unaudited)

19. Repurchase agreement at amortized cost

As at 30 June 2023, repurchase agreement at amortized cost of the Bank amounting to HK\$100 million (31 December 2022: HK\$100 million) under sale and repurchase arrangements were secured by debt securities deposited with HKMA to facilitate settlement operations. The amount of debt securities pledged by the Bank was HK\$105 million (31 December 2022: HK\$100 million) included in “Investment in securities”.

20. Issued share capital

	No. of shares	HK\$'000
Ordinary shares, issued and fully paid:		
At 1 January 2022	1	1,200,000
Capital contributions from immediate holding company	–	300,000
	<hr/>	<hr/>
At 31 December 2022, At 30 June 2023	1	1,500,000
	<hr/> <hr/>	<hr/> <hr/>

21. Fair value of financial instrument

(a) Financial instruments carried at fair value

All assets and liabilities for which fair value is measured or disclosed in the financial information are categorized within the fair value hierarchy as defined in HKFRS 13, “Fair value measurement”. The following table and paragraph give information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorized (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (significant unobservable inputs).

To determine the fair value of loans and advances to customers, loans are segregated into portfolios of similar characteristics. Fair values are estimated using discounted cash flow methodology incorporating a range of input assumptions including expected customer prepayment rates, new business interest rates estimates for similar loans. The fair value of loans reflects expected credit losses at the balance sheet date and the fair value effect of repricing between origination and the reporting date. For credit impaired loans, fair value is estimated by discounting the future cash flows over the time period they are expected to be recovered.

PING AN ONECONNECT BANK (HONG KONG) LIMITED

NOTES TO THE INTERIM FINANCIAL INFORMATION (unaudited)

21. Fair value of financial instrument (continued)

(a) Financial instruments carried at fair value (continued)

Favourable and unfavourable changes are determined on the basis of changes in the value of instruments as a result of varying the levels of the unobservable parameters.

Changes in level 3 instruments measured at FVOCI.

	As at 30 June 2023 HK\$ '000	As at 31 December 2022 HK\$ '000
At beginning of the period	1,786,011	1,344,736
Gains or losses recognized in profit or loss	(53)	(9,430)
Gains or losses recognized in OCI	7,703	7,552
Additions	506,179	1,079,581
Repayments	(486,823)	(636,428)
	<u>1,813,017</u>	<u>1,786,011</u>

	At 30 June 2023			
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Financial assets measured at FVOCI				
– Loans and advances to customers	–	–	1,813,017	1,813,017
– Investment securities	477,892	–	–	477,892
	<u>477,892</u>	<u>–</u>	<u>1,813,017</u>	<u>2,290,909</u>

	At 31 December 2022			
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Financial assets measured at FVOCI				
– Loans and advances to customers	–	–	1,786,011	1,786,011
– Investment securities	495,858	–	–	495,858
	<u>495,858</u>	<u>–</u>	<u>1,786,011</u>	<u>2,281,869</u>

Valuation inputs and relationships to fair value

The significant unobservable inputs used in level 3 fair value measurements for loans and advances to customers measured at fair value through other comprehensive income are discount rate and prepayment rate.

The range of discount rate are 7.16% – 9.57% and prepayment rate is 0.36% as at 30 June 2023 (as at 31 December 2022: 5.66% – 9.30% and 0.34% – 0.38%).

PING AN ONECONNECT BANK (HONG KONG) LIMITED

NOTES TO THE INTERIM FINANCIAL INFORMATION (unaudited)

21. Fair value of financial instrument (continued)

(a) Financial instruments carried at fair value (continued)

Valuation inputs and relationships to fair value (continued)

If the discount rate increase or decrease by 5%, with all other variables held constant, the assets and other comprehensive income would decrease or increase by HK\$6.9 million as at 30 June 2023 (31 December 2022: decrease or increase by HK\$6.7 million). If the prepayment ratio increase or decrease by 5%, with all other variables held constant, the assets and other comprehensive income would decrease or increase by HK\$0.3 million as at 30 June 2023 (31 December 2022: decrease or increase by HK\$0.3 million).

(b) Financial instruments carried at amortized cost

All financial instruments carried at amortized cost are approximate their fair value as at 30 June 2023 and 31 December 2022.

22. Notes to the condensed statement of cash flows

For the purposes of the condensed statement of cash flows, cash and cash equivalents comprise the following balances with original maturity of three months or less from the date of acquisition.

	As at 30 June 2023 HK\$'000	As at 30 June 2022 HK\$'000
Balances with banks and central bank	210,255	222,641
Placements with and advances to banks repayable with original maturity within three months	250,000	291,027
	<u>460,255</u>	<u>513,668</u>

23. Material related-party transactions

The Bank entered into the following material transactions with related parties:

	Six months ended 30 June 2023 HK\$'000	Six months ended 30 June 2022 HK\$'000
Intangible assets acquired from fellow subsidiaries and an affiliated company	3,919	–
IT expenses to fellow subsidiaries and affiliated companies	13,684	10,676
Premises expenses to an affiliated company	1,224	1,224
Interest expenses to an affiliated company	124	4
Administrative expenses to an affiliated company	221	164

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NOTES TO THE INTERIM FINANCIAL INFORMATION (unaudited)

23. Material related-party transactions (continued)

The Bank had the following material outstanding balances with related parties:

	As at 30 June 2023 HK\$'000	As at 31 December 2022 HK\$'000
Amounts due to fellow subsidiaries (Note a)	18,071	17,047
Amounts due to affiliated companies (Note a)	14,446	15,164

Note a: The outstanding balances are unsecured, non-interest bearing and expected to be settled within one year.

The interim financial information were approved by the Board of Directors on 21 September 2023.