



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 31 March 2022

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

Contents

- 1. Introduction 2
- 2. Key prudential ratios 3
 - 2.1 KM1: Key prudential ratios 3
- 3. Overview of risk-weighted amount 4
 - 3.1 OV1: Overview of risk-weighted amount 4
- 4. Leverage ratio 5
 - 4.1 LR2: Leverage ratio 5
- 5. Abbreviations 6

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

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.

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

2. Key prudential ratios

2.1 KM1: Key prudential ratios

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

| | | (a) | (b) | (c) | (d) | (e) |
|----------|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | At 31 Mar 2022 | At 31 Dec 2021 | At 30 Sep 2021 | At 30 Jun 2021 | At 31 Mar 2021 |
| HK\$'000 | | | | | | |
| | Regulatory capital (amount) | | | | | |
| 1 | Common Equity Tier 1 (CET1) | 508,161 | 555,904 | 603,562 | 660,843 | 431,196 |
| 2 | Tier 1 | 508,161 | 555,904 | 603,562 | 660,843 | 431,196 |
| 3 | Total capital | 514,197 | 559,002 | 605,104 | 663,203 | 432,580 |
| | RWA (amount) | | | | | |
| 4 | Total RWA | 552,938 | 307,467 | 593,351 | 581,321 | 595,577 |
| | Risk-based regulatory capital ratios (as a percentage of RWA) | | | | | |
| 5 | CET1 ratio (%) | 91.9% | 180.8% | 101.7% | 113.7% | 72.4% |
| 6 | Tier 1 ratio (%) | 91.9% | 180.8% | 101.7% | 113.7% | 72.4% |
| 7 | Total capital ratio (%) | 93.0% | 181.8% | 102.0% | 114.1% | 72.6% |
| | 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 (%) | 1.000% | 1.000% | 0.976% | 0.971% | 0.913% |
| 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 (%) | 3.500% | 3.500% | 3.476% | 3.471% | 3.413% |
| 12 | CET1 available after meeting the AI's minimum capital requirements (%) | 85.0% | 173.8% | 94.0% | 106.1% | 64.4% |
| | Basel III leverage ratio | | | | | |
| 13 | Total leverage ratio (LR) exposure measure | 2,395,557 | 2,342,434 | 2,454,664 | 1,302,133 | 1,062,386 |
| 14 | LR (%) | 21.2% | 23.7% | 24.6% | 50.8% | 40.6% |
| | 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 (%) ¹ | 75.0% | 66.0% | 103.3% | 150.9% | 142.9% |
| | 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 |

The capital ratio and LMR remained well above the minimum regulatory requirements. Decrease in capital ratios was driven by an increase in credit risk RWA due to increased placements with banks resulting in higher bank exposures and a decrease in CET1 regulatory capital in Q1 2022.

¹ The LMR disclosed above represent the arithmetic mean of the average value of its LMR for each calendar month within the quarter.

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

3. Overview of risk-weighted amount

3.1 OV1: Overview of risk-weighted amount

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 |
| | | 31 Mar 2022 | 31 Dec 2021 | 31 Mar 2022 |
| 1 | Credit risk for non-securitization exposures | 482,916 | 247,872 | 38,633 |
| 2 | Of which STC approach | 482,916 | 247,872 | 38,633 |
| 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 | 12,963 | 22,038 | 1,037 |
| 21 | Of which STM approach | 12,963 | 22,038 | 1,037 |
| 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 | 57,838 | 38,363 | 4,627 |
| 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 | 779 | 806 | 62 |
| 26b | Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital | 779 | 806 | 62 |
| 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 | 552,938 | 307,467 | 44,235 |

(i) Items marked with an asterisk (*) will be applicable only after their respective policy framework take effect. Until then, "Not applicable" should be reported in the rows.

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

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 31 Mar 2022 | As at 31 Dec 2021 |
| On-balance sheet exposures | | | |
| 1 | On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral) | 2,546,949 | 2,488,046 |
| 2 | Less: Asset amounts deducted in determining Tier 1 capital | (144,488) | (141,744) |
| 3 | Total on-balance sheet exposures (excluding derivative contracts and SFTs) | 2,402,461 | 2,346,302 |
| 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 | 1,000 | 2,254 |
| 18 | Less: Adjustments for conversion to credit equivalent amounts | (900) | (2,029) |
| 19 | Off-balance sheet items | 100 | 225 |
| Capital and total exposures | | | |
| 20 | Tier 1 capital | 508,161 | 555,094 |
| 20a | Total exposures before adjustments for specific and collective provisions | 2,402,561 | 2,346,527 |
| 20b | Adjustments for specific and collective provisions | (7,004) | (4,093) |
| 21 | Total exposures after adjustments for specific and collective provisions | 2,395,557 | 2,342,434 |
| Leverage ratio | | | |
| 22 | Leverage ratio | 21.2% | 23.7% |

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

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) |