



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 2021

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

		(a)	(b)	(c)	(d)	(e)
		At 30 Sep 2021	At 30 Jun 2021	At 31 Mar 2021	At 31 Dec 2020	At 30 Sep 2020
HK\$'000						
	Regulatory capital (amount)					
1	Common Equity Tier 1 (CET1)	603,562	660,843	431,196	489,345	568,619
2	Tier 1	603,562	660,843	431,196	489,345	568,619
3	Total capital	605,104	663,203	432,580	490,144	568,990
	RWA (amount)					
4	Total RWA	593,351	581,321	595,577	599,546	524,196
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5	CET1 ratio (%)	101.7%	113.7%	72.4%	81.6%	108.5%
6	Tier 1 ratio (%)	101.7%	113.7%	72.4%	81.6%	108.5%
7	Total capital ratio (%)	102.0%	114.1%	72.6%	81.8%	108.5%
	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 (%)	0.976%	0.971%	0.913%	0.923%	0.855%
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 (%)	3.476%	3.471%	3.413%	3.423%	3.355%
12	CET1 available after meeting the AI's minimum capital requirements (%)	94.0%	106.1%	64.4%	73.6%	100.5%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure	2,454,664	1,302,133	1,062,386	1,098,230	815,477
14	LR (%)	24.6%	50.8%	40.6%	44.6%	69.7%
	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	103.3%	150.9%	142.9%	148.4%	525.2%
	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

The capital ratios and LMR remained well above the minimum regulatory requirements. Decrease in leverage ratio as of 30 September 2021 was driven by growth in customer deposits resulting in higher exposure and decrease in LMR as of September 2021 was related to deployment of cash balance for loan disbursement and increase in customer savings deposits.

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
		30 Sep 2021	30 Jun 2021	30 Sep 2021
1	Credit risk for non-securitization exposures	241,688	221,346	19,335
2	Of which STC approach	241,688	221,346	19,335
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	5,113	13,425	409
21	Of which STM approach	5,113	13,425	409
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	346,550	346,550	27,724
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	-	-	-
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	593,351	581,321	47,468

(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 30 Sep 2021	As at 30 Jun 2021
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	2,595,543	1,439,229
2	Less: Asset amounts deducted in determining Tier 1 capital	(139,337)	(134,736)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	2,456,206	1,304,493
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	-	-
18	Less: Adjustments for conversion to credit equivalent amounts	-	-
19	Off-balance sheet items	-	-
Capital and total exposures			
20	Tier 1 capital	603,562	660,843
20a	Total exposures before adjustments for specific and collective provisions	2,456,206	1,304,493
20b	Adjustments for specific and collective provisions	(1,542)	(2,360)
21	Total exposures after adjustments for specific and collective provisions	2,454,664	1,302,133
Leverage ratio			
22	Leverage ratio	24.6%	50.8%

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)