

[For Immediate Release]

Ping An OneConnect Bank Announces FY2020 Financial Statement Serving SMEs with Financial Technology Lays Solid Foundation for Sustainable Growth

- *PAOB was officially launched in September 2020, the financial statement reflects its 3-month operational performance*
- *PAOB's core profitability remains solid, with gross interest margin and net interest margin for its SME loan business at 9.3% and 8.3% respectively*
- *PAOB adopts innovative model at budget and risk control via its unique Alternative Credit Scoring Model*

30 April 2021, Hong Kong – Ping An OneConnect Bank (Hong Kong) Limited (“Ping An OneConnect Bank” or “PAOB”) today announced its financial statement for the year ended on December 31, 2020. PAOB's activities has grown steadily since its official launch in September 2020, with total income grew by 21.3% year-on-year to HK\$7.973 million. Both loans and deposits have grown at a steady pace - customer deposits amounted to HK\$482 million while loans and advances to customers were HK\$69.7 million respectively as of 31 December 2020. With a loan-to-deposit ratio of 14.5%, PAOB has established a solid foundation for subsequent business development. The ratio is expected to increase in the future as loan volumes increase over time.

Having a sound business model and strategy, PAOB established an exceptional foundation to profitability. In 2020, gross interest margin and net interest margin for PAOB's SME loan business were at 9.3% and 8.3% respectively without any overdue loans during the period. Given that PAOB was officially launched in September last year following the pilot trial in June, its business is still at a nascent stage of development; loss before income tax increased from HK\$112 million in 2019 to HK\$184 million in 2020 while net interest income was HK\$3.1 million, representing a decrease of 52.8% year-on-year from 2019's HK\$6.6 million. The decrease was resulted from interest expenses payable to depositors, as well as declining market interest rates.

Mr. Ryan Fung, Chief Executive of PAOB said, “Since we had our official launch on 29 September 2020, our FY2020 financial statement only reflects the operational performance over a 3-month period. During the first half of the year, we committed

massive resources to build a strong team as well as the infrastructure for the inaugural launch. Starting from our business preparation to the official launch, PAOB has firmly adhered to our belief and positioning of alleviating financing needs of SME customers with financial technology and big data, instead of aggressively pursuing the goal of increasing the scale of deposits. PAOB strives to provide customers with competitive loan interest rates while establishing a sustainable business model through a unique Alternative Credit Scoring Model.”

PAOB has delivered satisfactory business performance in 2020 that in spite the challenges presented by the COVID-19 pandemic. Looking ahead, PAOB anticipates business environment would improve significantly when compared to last year as economic activity recovers.

Mr. Ryan Fung continued, “The recent continuous growth of trade volumes in the region as signs show that the economy is rebounding and recovering, and it also leads to an increasing demand for trade financing among customers. Therefore, we have raised the maximum limit for loan approval of our “90% Guarantee Product” offered under the SME Financing Guarantee Scheme to HK\$5 million. We believe the economy will continue to recover and are cautiously optimistic about the business prospects. As the first virtual bank that was established with a primary focus on servicing SMEs, we will continue to provide flexible and diversified SME banking services and further promote financial inclusion.”

For the full report of PAOB’s 2020 financial statement, please visit: www.paob.com.hk

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About Ping An OneConnect Bank (Hong Kong) Limited



Ping An OneConnectBank (Hong Kong) Limited (“PAOB”), a wholly-owned subsidiary of OneConnect Financial Technology Co., Ltd. (“OneConnect”)(NYSE:OCFT) and a member of Ping An Insurance (Group) Company of China Ltd. (“Ping An”) (HKEx:2318; SSE:601318), is committed to establishing a virtual banking ecosystem by optimising customer-centric services through its innovation and sophisticated technology. PAOB was granted a virtual banking licence by the Hong Kong Monetary Authority in May 2019. PAOB is developing diverse business segments including retail banking and SME banking.