

**[For Immediate Release]**

## **Ping An OneConnect Bank Announces FY2023 Annual Results**

### **Achieves Steady Growth in 2023 Loan Assets Reach a New High of HK\$2.1 Billion True Dedication to Founding Ideals: Walking Hand-in-Hand with SMEs to Overcome Emerging Challenges**

- *Benefiting from economic rebound, strong loan growth in the second half of the year, with a robust increase of 18% for the year; the loan-to-deposit ratio maintained at a healthy level of 84%*
- *Asset quality remained healthy with expected credit loss ratio below 1%*
- *Unwavering commitment to building a digitalised ecosystem for SMEs whilst forging strategic business partnerships with FWD Hong Kong (“FWD”), Octopus Cards Limited (“Octopus”) and more to enable comprehensive solutions for SMEs*

**29 April 2024, Hong Kong** – Ping An OneConnect Bank (Hong Kong) Limited (“Ping An OneConnect Bank” or “PAOB”), announced its annual results for the year ended 31 December 2023. As Hong Kong's society and economy rebounded after the pandemic and full resumption of normal travel, the demand for capital among SMEs has soared to new heights. PAOB, as the first dedicated virtual bank for SMEs in Hong Kong, continues to stay true to its foundational mission of supporting and accompanying SMEs on their path. In 2023, PAOB performed well in various key operating indicators, achieving steady growth in business and customer base.

PAOB, recognised as the “best partner” for SMEs, remains dedicated to deepening collaborations with various strategic business partners while leveraging technology and commercial data to expand the application scenarios, empowering SMEs with efficient digital banking services. With a positive impact of Hong Kong resuming normalcy, PAOB achieved remarkable business performance in the second half of 2023. New loan disbursements during this period surged by 46% compared to the first half, demonstrating sustained growth on business. Key operating indicators for 2023 also showcased favourable outcomes. Total loans and advances to customers increased by 18% year-on-year to reach HK\$2.1 billion and the loan-to-deposit ratio reached 84%. PAOB's net operating income exceeded HK\$82.8 million, with a net interest margin of 2.87%. Despite the full year loss is HK\$181 million, the bank maintains a well-established risk management system reflected in the expected credit loss ratio of less than 1%.

The complex external economic environment posed challenges for SMEs over the past year. PAOB, deeply understanding SMEs' funding needs, designed targeted loan services tailored to the specific operational models of various industries. These include the "Business Short-term Loan", designed for the engineering and construction sector, the "eFast Loan" and "Business Revolving Loan", offering flexible solutions to the retail industry. These diversified offerings assist SME clients in promptly addressing operational funding needs and seizing market opportunities. Concurrently, PAOB actively fosters alliances with strategic business partners like FWD and Octopus. These collaborations encompass diverse service areas across industries such as trade, retail, engineering, and construction. By leveraging financial technology and unlocking the potential of commercial data, PAOB empowers SMEs to navigate their business upgrade and transformation journeys. As of 31 December 2023, amongst approved loan cases in PAOB, 27.3% of SMEs obtained their first bank loan and 8% were start-ups with less than three years of operation. These figures highlight PAOB's effectiveness in filling the gap in banking services for SMEs.

**Mr. Michael Fei, Chief Executive and Executive Director of PAOB**, said, "As the pioneering virtual bank specialising for local SMEs, PAOB remains dedicated to injecting new vitality into SMEs' financial services by constantly monitoring market changes and addressing their immediate needs. Entering our fourth year, PAOB has a new milestone, officially becoming a subsidiary of Lufax Holding Limited ("Lufax"). This collaboration will bring synergies, creating more development opportunities for PAOB's business.

Furthermore, PAOB will set its sights on the Greater Bay Area, which holds tremendous development potential. The region is experiencing a notable influx of SMEs and a surge in economic vitality, leading to an increased demand for capital from SMEs in the area. PAOB will proactively explore relevant banking services and harness the role of Hong Kong as a 'super-connector' to support SMEs venturing into the Greater Bay Area and overseas markets, enabling them to tackle future challenges with confidence."

PAOB's exceptional dedication and performance in serving SMEs have been widely recognized. The bank's achievements are reflected in numerous prestigious international and local awards, including The Digital Banker's "Global SME Banking Innovation Awards 2024 - Best SME Bank in Hong Kong", "Virtual Bank of The Year - SME" in The Asset Triple A Digital Awards for the second consecutive year and "Best Bank for SMEs in Hong Kong" at the Asiamoney Best Bank Awards. Additionally, PAOB has also been awarded Excellence Performance for the "Virtual Bank of the Year"



category at the Bloomberg Businessweek/Chinese Edition Financial Institution Awards 2023 and “2023 The Best SME Partner” from The Hong Kong General Chamber of Small and Medium Business.

PAOB remains committed to forging strategic collaborations with business partners to develop targeted virtual banking services for SMEs. and ultimately promoting the advancement of virtual banking for SMEs. These efforts aim to empower SMEs and propel the virtual banking sector forward.

For the full report of PAOB’s 2023 financial statement, please visit [www.paob.com.hk](http://www.paob.com.hk)

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**About Ping An OneConnect Bank (Hong Kong) Limited**

Ping An OneConnect Bank (Hong Kong) Limited (“PAOB”), a wholly-owned subsidiary of Lufax Holding Ltd (“Lufax”) (SEHK: 6623; NYSE: LU) and a member of Ping An Insurance (Group) Company of China, Ltd. (“Ping An”) (SEHK: 2318; SSE: 601318), is committed to fostering financial inclusion and establishing a virtual banking ecosystem by leveraging its extensive experience in SME banking services and its leading financial technology advantages. PAOB was granted a banking licence by the Hong Kong Monetary Authority in May 2019 to offer banking services via digital channels. PAOB is expanding diverse business segments including retail banking and SME banking.