大 眾 銀 行 (香 港)
PUBLIC BANK (HONG KONG)

Public Bank (Hong Kong) Limited

Regulatory Disclosure Statement

For the position date of 31 March 2020
(Consolidated and Unaudited)

Table of contents

Template KM1: Key prudential ratios

The table below provides key prudential ratios.

		(a)	(b)	(c)	(d)	(e)
		31 March 2020	31 December 2019	30 September 2019	30 June 2019	31 March 2019
		HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
	Regulatory capital (amount)					
1	Common Equity Tier 1 (CET1)	5,301,830	5,334,073	5,212,289	5,248,640	5,154,276
2	Tier 1	5,301,830	5,334,073	5,212,289	5,248,640	5,154,276
3	Total capital	5,624,927	5,657,151	5,535,824	5,581,068	5,479,809
	RWA (amount)					
4	Total RWA	27,161,531	27,125,207	27,235,962	28,101,034	28,124,220
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5	CET1 ratio (%)	19.52%	19.66%	19.14%	18.68%	18.33%
6	Tier 1 ratio (%)	19.52%	19.66%	19.14%	18.68%	18.33%
7	Total capital ratio (%)	20.71%	20.86%	20.33%	19.86%	19.48%
	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 (%)	0.901%	1.804%	2.249%	2.250%	2.245%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	0% (Not applicable)	0% (Not applicable)	0% (Not applicable)	0% (Not applicable)	0% (Not applicable)
11	Total AI-specific CET1 buffer requirements (%)	3.401%	4.304%	4.749%	4.750%	4.745%
12	CET1 available after meeting the AI's minimum capital requirements (%)	12.71%	12.86%	12.33%	11.86%	11.48%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure	40,736,597	41,500,374	40,810,979	42,778,545	42,287,170
14	LR (%)	13.01%	12.85%	12.77%	12.27%	12.19%

		(a)	(b)	(c)	(d)	(e)
		31 March 2020	31 December 2019	30 September 2019	30 June 2019	31 March 2019
		HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
	Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)					
	Applicable to category 1 institution only:					
15	Total high quality liquid assets (HQLA)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
16	Total net cash outflows	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
17	LCR (%)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Applicable to category 2 institution only:					
17a	LMR (%)	51.34%	48.29%	46.76%	49.76%	48.56%
	Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)					
	Applicable to category 1 institution only:					
18	Total available stable funding	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
19	Total required stable funding	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
20	NSFR (%)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Applicable to category 2A institution only:					
20a	CFR (%)	134.29%	130.75%	133.39%	133.90%	130.66%

Template OV1: Overview of RWA

The table below provides an overview of RWA and the related minimum capital requirements by risk type. The Group has adopted standardized approach for both credit risk and market risk. Regarding operational risk, the Bank and Public Finance Limited have adopted basic indicator approach and standardized approach respectively. During the first quarter of 2020, RWA increased by HK$36.32 million to HK$27.16 billion. The increase of RWA was mainly due to increase in operational risk.

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		31 March 2020	31 December 2019	31 March 2020
		HK$'000	HK$'000	HK$'000
1	**Credit risk for non-securitization exposures**	**23,303,227**	**23,299,508**	**1,864,258**
2	Of which STC approach	23,303,227	23,299,508	1,864,258
2a	Of which BSC approach	0	0	0
3	Of which foundation IRB approach	0	0	0
4	Of which supervisory slotting criteria approach	0	0	0
5	Of which advanced IRB approach	0	0	0
6	**Counterparty default risk and default fund contributions**	**4,984**	**7,107**	**399**
7	Of which SA-CCR*	Not applicable	Not applicable	Not applicable
7a	Of which CEM	4,984	7,107	399
8	Of which IMM(CCR) approach	0	0	0
9	Of which others	0	0	0
10	CVA risk	2,000	3,275	160
11	Equity positions in banking book under the simple risk-weight method and internal models method	0	0	0
12	Collective investment scheme ("CIS") exposures – LTA*	Not applicable	Not applicable	Not applicable
13	CIS exposures – MBA*	Not applicable	Not applicable	Not applicable
14	CIS exposures – FBA*	Not applicable	Not applicable	Not applicable
14a	CIS exposures – combination of approaches*	Not applicable	Not applicable	Not applicable
15	Settlement risk	0	0	0
16	**Securitization exposures in banking book**	**0**	**0**	**0**
17	Of which SEC-IRBA	0	0	0
18	Of which SEC-ERBA (including IAA)	0	0	0
19	Of which SEC-SA	0	0	0
19a	Of which SEC-FBA	0	0	0

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		31 March 2020	31 December 2019	31 March 2020
		HK$'000	HK$'000	HK$'000
20	**Market risk**	**1,094,525**	**1,105,963**	**87,562**
21	Of which STM approach	1,094,525	1,105,963	87,562
22	Of which IMM approach	0	0	0
23	Capital charge for switch between exposures in trading book and banking book (not applicable before the revised market risk framework takes effect)*	Not applicable	Not applicable	Not applicable
24	Operational risk	2,691,288	2,652,138	215,303
24a	Sovereign concentration risk*	Not applicable	Not applicable	Not applicable
25	Amounts below the thresholds for deduction (subject to 250% RW)	156,905	156,905	12,552
26	Capital floor adjustment	0	0	0
26a	**Deduction to RWA**	**91,399**	**99,689**	**7,312**
26b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	54,998	63,288	4,400
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	36,401	36,401	2,912
27	**Total**	**27,161,530**	**27,125,207**	**2,172,922**

Point to note:

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

Template LR2: Leverage ratio ("LR")

The table below provides a detailed breakdown of the components of the LR denominator as at 31 March 2020 and 31 December 2019. There was no material change to the LR at 31 March 2020 as compared to position date of 31 December 2019.

		(a)	(b)
		HK$'000	
		31 March 2020	31 December 2019
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	40,956,249	41,651,558
2	Less: Asset amounts deducted in determining Tier 1 capital	(521,484)	(531,554)
3	**Total on-balance sheet exposures (excluding derivative contracts and SFTs)**	40,434,765	41,120,004
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)	0	15,486
5	Add-on amounts for PFE associated with all derivative contracts	1,909	10,134
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	0	0
7	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	0	0
8	Less: Exempted CCP leg of client-cleared trade exposures	0	0
9	Adjusted effective notional amount of written credit derivative contracts	0	0
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivative contracts	0	0
11	**Total exposures arising from derivative contracts**	1,909	25,620
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	0	0
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	0	0
14	CCR exposure for SFT assets	0	0
15	Agent transaction exposures	0	0
16	**Total exposures arising from SFTs**	0	0
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	2,712,892	3,276,405
18	Less: Adjustments for conversion to credit equivalent amounts	(2,411,724)	(2,920,400)
19	**Off-balance sheet items**	301,168	356,005

		(a)	(b)
		HK$'000	
		31 March 2020	31 December 2019
Capital and total exposures			
20	**Tier 1 capital**	5,301,830	5,334,073
20a	**Total exposures before adjustments for specific and collective provisions**	40,737,842	41,501,629
20b	**Adjustments for specific and collective provisions**	(1,245)	(1,255)
21	**Total exposures after adjustments for specific and collective provisions**	40,736,597	41,500,374
Leverage ratio			
22	**Leverage ratio**	13.01%	12.85%

Glossary

Abbreviations	Descriptions
AI	Authorized Institution
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-SIBs	Domestic Systemically Important Banks
FBA	Fall-Back Approach
G-SIBs	Global Systemically Important Banks
HQLA	High Quality Liquid Assets
IMM	Internal Models Method
IRB	Internal Ratings-Based Approach
LCR	Liquidity Coverage Ratio
LMR	Liquidity Maintenance Ratio
LTA	Look Through Approach
LR	Leverage Ratio
MBA	Mandate-Based Approach
NSFR	Net Stable Funding Ratio
PFE	Potential Future Exposure
RW	Risk-Weight
RWA	Risk-Weighted Asset/Risk-Weighted Amount
SA-CCR	Standardized Approach (Counterparty Credit Risk)
SEC-ERBA	Securitization External Ratings-Based Approach
SEC-SA	Securitization Standardized Approach
SEC-FBA	Securitization Fall-Back Approach
SEC-IRBA	Securitization Internal Ratings-Based Approach
SFT	Securities Financing Transaction
STC	Standardized (Credit Risk) Approach

Glossary

Abbreviations	Descriptions
STM	Standardized (Market Risk) Approach