大眾銀行（香港）
PUBLIC BANK (HONG KONG)

Public Bank (Hong Kong) Limited

Pillar 3 Regulatory Disclosures

For the period ended 31 March 2018
(Consolidated and Unaudited)

大 眾 銀 行 (香 港)
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Template OV1: Overview of RWA

The table below provides an overview of RWA and the related minimum capital requirements by risk type as at 31 March 2018 and 31 December 2017 respectively. The Group has adopted standardized approach for both credit risk and market risk. Regarding operational risk, the Bank and Public Finance have adopted basis indicator approach and standardized approach respectively. During the first quarter of 2018, RWA decreased by HK$158.6 million to HK$26.76 billion. The decrease of RWA was mainly due to a decrease of HK$312.4 million in credit risk weighted exposures related to debt securities.

		(a)	(b)	(c)
		RWA		Minimum capital requirements[1]
		31 March 2018	31 December 2017	31 March 2018
		HK$'000	HK$'000	HK$'000
1	Credit risk for non-securitization exposures (excluding counterparty credit risk and 250% RWA)	22,945,325	23,168,424	1,835,626
2	Of which STC approach	22,945,325	23,168,424	1,835,626
2a	Of which BSC approach	0	0	0
3	Of which IRB approach	0	0	0
4	Counterparty credit risk	2,075	5,299	166
4a	Of which CVA risk	750	1,813	60
5	Of which SA-CCR	0	0	0
5a	Of which CEM	1,325	3,486	106
6	Of which IMM(CCR) approach	0	0	0
7	Equity exposures in banking book under the market-based approach	0	0	0
8	CIS exposures – LTA	0	0	0
9	CIS exposures – MBA	0	0	0
10	CIS exposures – FBA	0	0	0
11	Settlement risk	0	0	0
12	Securitization exposures in banking book[2]	0	0	0
13	Of which IRB(S) approach – ratings-based method	0	0	0
14	Of which IRB(S) approach – supervisory formula method	0	0	0
15	Of which STC(S) approach	0	0	0
16	Market risk	1,238,113	1,215,025	99,049
17	Of which STM approach	1,238,113	1,215,025	99,049
18	Of which IMM approach	0	0	0
19	Operational risk	2,569,725	2,542,913	205,578

[1] Calculated at 8% of RWA as of 31 March 2018

[2] Of note, after entering into force of the revised securitization framework in January 2018, the following replacements in rows 13, 14 and 15 should be made: (i) IRB(S) rating-based method should be replaced by Securitization Internal Ratings-Based Approach (SEC-IRBA)*; (ii) IRB(S) supervisory formula method should be replaced by Securitization External Ratings-Based Approach (SEC-ERBA)*; and (iii) STC(S) should be replaced by Securitization Standardized Approach (SEC-SA)*. A new row following row 15 (say, row 15a) may be added to cater for Securitization Fall-back Approach (SEC-FBA)* where this is applicable. (* all names and applicable approaches subject to the final amendments to the Banking (Capital) Rules)

		(a)	(b)	(c)
		RWA		Minimum capital requirements[1]
		31 March 2018	31 December 2017	31 March 2018
		HK$'000	HK$'000	HK$'000
20	Of which BIA approach	1,229,462	1,202,200	98,357
21	Of which STO approach	1,340,263	1,340,713	107,221
21a	Of which ASA approach	0	0	0
22	Of which AMA approach	N/A	N/A	N/A
23	Amounts below the thresholds for deduction (subject to 250% RW)	156,905	156,905	12,553
24	Capital floor adjustment	0	0	0
24a	Deduction to RWA	156,936	174,791	12,555
24b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	139,188	157,043	11,135
24c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	17,748	17,748	1,420
25	**Total**	**26,755,207**	**26,913,775**	**2,140,417**

N/A: Not applicable in the case of Hong Kong

Key Capital Ratios Disclosures

Capital adequacy ratio

	Item	31 March 2018 HK$'000	31 December 2017 HK$'000
1	CET1 capital	4,946,994	4,857,700
2	AT1 capital	0	0
3	Tier 1 capital (Tier 1 = CET1 + AT1)	4,946,994	4,857,700
4	Tier 2 capital	303,316	306,132
5	Total capital (Total capital = Tier 1 + Tier 2)	5,250,310	5,163,832
6	Total risk weighted assets	26,755,207	26,913,775
Capital ratios (as a percentage of risk weighted assets)			
	CET1 capital ratio	18.49%	18.05%
	Tier 1 capital ratio	18.49%	18.05%
	Total capital ratio	19.62%	19.19%

Leverage ratio

	Item	31 March 2018 HK$'000	31 December 2017 HK$'000
1	Tier 1 capital	4,946,994	4,857,700
2	Total exposures	41,188,577	41,870,577
Leverage ratio (as a percentage of total exposures)			
	Leverage ratio	12.01%	11.60%

Abbreviations:

CET1: Common Equity Tier 1

AT1: Additional Tier 1

Glossary

Abbreviations	Descriptions
AMA	Advanced Measurement Approach
ASA	Alternative Standardized Approach
AT1	Additional Tier 1
BIA	Basic Indicator Approach
BSC	Basic Approach
CCR	Counterparty Credit Risk
CEM	Current Exposure Method
CET1	Common Equity Tier 1
CIS	Collective Investment Scheme
CVA	Credit Valuation Adjustment
FBA	Fall-Back Approach
IMM	Internal Models Method
IRB	Internal Ratings-Based Approach
IRB(S)	Internal Ratings-Based (Securitization) Approach
LTA	Look Through Approach
MBA	Mandate-Based Approach
RWA	Risk Weighted Asset
SA-CCR	Standardized Approach (Counterparty Credit Risk)
STC	Standardized (Credit Risk) Approach
STC(S)	Standardized (Securitization) Approach
STM	Standardized (Market Risk) Approach
STO	Standardized (Operational Risk) Approach