大眾銀行（香港）
PUBLIC BANK (HONG KONG)

Public Bank (Hong Kong) Limited

Pillar 3 Regulatory Disclosures

For the period ended 30 September 2017
(Consolidated and Unaudited)

大眾銀行（香港）
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Table of contents

Template OV1: Overview of RWA

The table below provides an overview of RWA and the related minimum capital requirements by risk type as at 30 September 2017 and 30 June 2017 respectively. The Group has adopted standardized approach for both credit risk and market risk, and standardized/ basic indicator approach for operational risk. During the third quarter of 2017, RWA increased by HK$406.1 million to HK$26.75 billion. The increase of RWA was mainly due to an increase of HK$350.3 million in credit risk weighted exposures of interest-bearing assets.

		(a)	(b)	(c)
		RWA		Minimum capital requirements[1]
		30 September 2017	30 June 2017	30 September 2017
		HK$'000	HK$'000	HK$'000
1	Credit risk for non-securitization exposures (excluding counterparty credit risk and 250% RWA)	23,025,576	22,675,262	1,842,047
2	Of which STC approach	23,025,576	22,675,262	1,842,047
2a	Of which BSC approach	0	0	0
3	Of which IRB approach	0	0	0
4	Counterparty credit risk	6,401	8,608	512
4a	Of which CVA risk	2,225	3,325	178
5	Of which SA-CCR	0	0	0
5a	Of which CEM	4,176	5,283	334
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	1,201,788	1,178,163	96,143
17	Of which STM approach	1,201,788	1,178,163	96,143
18	Of which IMM approach	0	0	0
19	Operational risk	2,517,450	2,489,500	201,396

[1] Calculated at 8% of RWA as of 30 September 2017

[2] Of note, after entering into force of the revised securitization framework in January 2018, the following replacements in row 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 BCR)

		(a)	(b)	(c)
		RWA		Minimum capital requirements[1]
		30 September 2017	30 June 2017	30 September 2017
		HK$'000	HK$'000	HK$'000
20	Of which BIA approach	1,177,500	1,149,100	94,200
21	Of which STO approach	1,339,950	1,340,400	107,196
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)	160,655	160,655	12,852
24	Capital floor adjustment	0	0	0
24a	Deduction to RWA	161,122	167,532	12,890
24b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	145,289	151,699	11,623
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	15,833	15,833	1,267
25	**Total**	**26,750,748**	**26,344,656**	**2,140,060**

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

Key Capital Ratios Disclosures

Capital adequacy ratio

	Item	30 September 2017 HK$'000	30 June 2017 HK$'000
1	CET1 capital	4,742,579	4,707,042
2	AT1 capital	0	0
3	Tier 1 capital (Tier 1 = CET1 + AT1)	4,742,579	4,707,042
4	Tier 2 capital	302,834	298,469
5	Total capital (Total capital = Tier 1 + Tier 2)	5,045,413	5,005,511
6	Total risk weighted assets	26,750,748	26,344,656
Capital ratios (as a percentage of risk weighted assets)			
	CET1 capital ratio	17.73%	17.87%
	Tier 1 capital ratio	17.73%	17.87%
	Total capital ratio	18.86%	19.00%

Leverage ratio

	Item	30 September 2017 HK$'000	30 June 2017 HK$'000
1	Tier 1 capital	4,742,579	4,707,042
2	Total exposures	42,492,031	41,440,349
Leverage ratio (as a percentage of risk weighted assets)			
	Leverage ratio	11.16%	11.36%

Abbreviations:

CET1: Common Equity Tier 1

AT1: Additional Tier 1