

PUBLIC BANK (HONG KONG) LIMITED
REGULATORY DISCLOSURE

As at 31 December 2014

(a) Disclosure of regulatory capital instruments
Main Features Template

1	Issuer	Public Bank (Hong Kong) Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	Not applicable
3	Governing law(s) of the instrument	Hong Kong Law
	<i>Regulatory treatment</i>	
4	Transitional Basel III rules [#]	Common Equity Tier 1
5	Post-transitional Basel III rules ⁺	Common Equity Tier 1
6	Eligible at solo*/group/group & solo	Group and Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary Shares
8	Amount recognised in regulatory capital (Hong Kong Dollar Currency in thousand, as of most recent reporting date)	2,854,045
9	Par value of instrument	Not applicable
10	Accounting classification	Shareholders' Equity
11	Original date of issuance	Various
12	Perpetual or dated	Perpetual
13	Original maturity date	No Maturity
14	Issuer call subject to prior supervisory approval	Not applicable
15	Optional call date, contingent call dates and redemption amount	Not applicable
16	Subsequent call dates, if applicable	Not applicable
	<i>Coupons / dividends</i>	
17	Fixed or floating dividend/coupon	Floating Dividend
18	Coupon rate and any related index	Not applicable
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Fully Discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	Not applicable
25	If convertible, fully or partially	Not applicable
26	If convertible, conversion rate	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable
30	Write-down feature	No
31	If write-down, write-down trigger(s)	Not applicable

PUBLIC BANK (HONG KONG) LIMITED

32	If write-down, full or partial	Not applicable
33	If write-down, permanent or temporary	Not applicable
34	If temporary write-down, description of write-up mechanism	Not applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Not applicable
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	Not applicable

Footnote:

- # Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules
- + Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules
- * Include solo-consolidated

PUBLIC BANK (HONG KONG) LIMITED
REGULATORY DISCLOSURE

As at 31 December 2014

(b) The breakdown of CET1 capital, Additional Tier 1 capital, Tier 2 capital and regulatory deductions for Public Bank (Hong Kong) Limited and its subsidiary
Capital Disclosures Template based on Annex 1

		HK\$'000
CET1 capital: instruments and reserves		
1	Directly issued qualifying CET1 capital instruments plus any related share premium	2,854,045
2	Retained earnings	1,555,030
3	Disclosed reserves	510,748
4	<i>Directly issued capital subject to phase out from CET1 capital (only applicable to non-joint stock companies)</i>	Not applicable
5	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	0
6	CET1 capital before regulatory deductions	4,919,823
CET1 capital: regulatory deductions		
7	Valuation adjustments	0
8	Goodwill (net of associated deferred tax liability)	242,342
9	Other intangible assets (net of associated deferred tax liability)	0
10	Deferred tax assets net of deferred tax liabilities	17,517
11	Cash flow hedge reserve	0
12	Excess of total EL amount over total eligible provisions under the IRB approach	0
13	Gain-on-sale arising from securitization transactions	0
14	Gains and losses due to changes in own credit risk on fair valued liabilities	0
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	0
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	0
17	Reciprocal cross-holdings in CET1 capital instruments	0
18	Insignificant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0
19	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0
20	Mortgage servicing rights (amount above 10% threshold)	Not applicable
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	Not applicable
22	Amount exceeding the 15% threshold	Not applicable
23	of which: significant investments in the common stock of financial sector entities	Not applicable
24	of which: mortgage servicing rights	Not applicable
25	of which: deferred tax assets arising from temporary differences	Not applicable
26	National specific regulatory adjustments applied to CET1 capital	463,274
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	24,339
26b	Regulatory reserve for general banking risks	438,935
26c	Securitization exposures specified in a notice given by the Monetary Authority	0
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	0
26e	Capital shortfall of regulated non-bank subsidiaries	0
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	0
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	0
28	Total regulatory deductions to CET1 capital	723,133
29	CET1 capital	4,196,690
AT1 capital: instruments		
30	Qualifying AT1 capital instruments plus any related share premium	0

PUBLIC BANK (HONG KONG) LIMITED

31	of which: classified as equity under applicable accounting standards	0
32	of which: classified as liabilities under applicable accounting standards	0
33	<i>Capital instruments subject to phase out arrangements from AT1 capital</i>	0
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	0
35	<i>of which: AT1 capital instruments issued by subsidiaries subject to phase out arrangements</i>	0
36	AT1 capital before regulatory deductions	0
AT1 capital: regulatory deductions		
37	Investments in own AT1 capital instruments	0
38	Reciprocal cross-holdings in AT1 capital instruments	0
39	Insignificant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0
40	Significant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0
41	National specific regulatory adjustments applied to AT1 capital	0
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	0
43	Total regulatory deductions to AT1 capital	0
44	AT1 capital	0
45	Tier 1 capital (Tier 1 = CET1 + AT1)	4,196,690
Tier 2 capital: instruments and provisions		
46	Qualifying Tier 2 capital instruments plus any related share premium	0
47	<i>Capital instruments subject to phase out arrangements from Tier 2 capital</i>	0
48	Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group)	0
49	<i>of which: capital instruments issued by subsidiaries subject to phase out arrangements</i>	0
50	Collective impairment allowances and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	280,337
51	Tier 2 capital before regulatory deductions	280,337
Tier 2 capital: regulatory deductions		
52	Investments in own Tier 2 capital instruments	0
53	Reciprocal cross-holdings in Tier 2 capital instruments	0
54	Insignificant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0
55	Significant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0
56	National specific regulatory adjustments applied to Tier 2 capital	(10,953)
56a	Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital	(10,953)
57	Total regulatory deductions to Tier 2 capital	(10,953)
58	Tier 2 capital	291,290
59	Total capital (Total capital = Tier 1 + Tier 2)	4,487,980
60	Total risk weighted assets	25,100,436
Capital ratios (as a percentage of risk weighted assets)		
61	CET1 capital ratio	16.7%
62	Tier 1 capital ratio	16.7%
63	Total capital ratio	17.9%
64	Institution specific buffer requirement (minimum CET1 capital requirement as specified in s.3B of the BCR plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB or D-SIB requirements)	4.0%
65	<i>of which: capital conservation buffer requirement</i>	0.0%
66	<i>of which: bank specific countercyclical buffer requirement</i>	0.0%
67	<i>of which: G-SIB or D-SIB buffer requirement</i>	0.0%
68	CET1 capital surplus over the minimum CET1 requirement and any CET1 capital used to meet the Tier 1 and Total capital requirement under s.3B of the BCR	9.9%
National minima (if different from Basel 3 minimum)		
69	National CET1 minimum ratio	Not applicable
70	National Tier 1 minimum ratio	Not applicable
71	National Total capital minimum ratio	Not applicable

PUBLIC BANK (HONG KONG) LIMITED

Amounts below the thresholds for deduction (before risk weighting)		
72	Insignificant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	8,804
73	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	64,162
74	Mortgage servicing rights (net of related tax liability)	Not applicable
75	Deferred tax assets arising from temporary differences (net of related tax liability)	Not applicable
Applicable caps on the inclusion of provisions in Tier 2 capital		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the basic approach and the standardized (credit risk) approach (prior to application of cap)	457,858
77	Cap on inclusion of provisions in Tier 2 under the basic approach and the standardized (credit risk) approach	280,337
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach (prior to application of cap)	0
79	Cap for inclusion of provisions in Tier 2 under the IRB approach	0
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
80	Current cap on CET1 capital instruments subject to phase out arrangements	Not applicable
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	Not applicable
82	Current cap on AT1 capital instruments subject to phase out arrangements	0
83	Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)	0
84	Current cap on Tier 2 capital instruments subject to phase out arrangements	0
85	Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)	0

Notes to the template:

Elements where a more conservative definition has been applied in the BCR relative to that set out in Basel III capital standards:

Row No.	Description	Hong Kong basis	Basel III basis
	Other intangible assets (net of associated deferred tax liability)	0	0
9	<p><u>Explanation</u></p> <p>As set out in paragraph 87 of the Basel III text issued by the Basel Committee (December 2010), mortgage servicing rights (MSRs) may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to follow the accounting treatment of including MSRs as part of intangible assets reported in the AI's financial statements and to deduct MSRs in full from CET1 capital. Therefore, the amount to be deducted as reported in row 9 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 9 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of MSRs to be deducted to the extent not in excess of the 10% threshold set for MSRs and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities or other credit exposures to connected companies) under Basel III.</p>		
10	<p>Deferred tax assets net of deferred tax liabilities</p> <p><u>Explanation</u></p> <p>As set out in paragraphs 69 and 87 of the Basel III text issued by the Basel Committee (December 2010), DTAs that rely on future profitability of the bank to be realized are to be deducted, whereas DTAs which relate to temporary differences may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to deduct all DTAs in full, irrespective of their origin, from CET1 capital. Therefore, the amount to be deducted as reported in row 10 may be greater than that required under Basel III.</p> <p>The amount reported under the column "Basel III basis" in this box represents the amount reported in row 10 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of DTAs to be deducted which relate to temporary differences to the extent not in excess of the 10% threshold set for DTAs arising from temporary differences and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities and other credit exposures to connected companies) under Basel III.</p>	17,517	0

PUBLIC BANK (HONG KONG) LIMITED

18	Insignificant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0
	<p><u>Explanation</u></p> <p>For the purpose of determining the total amount of insignificant capital investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the Monetary Authority that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business.</p> <p>Therefore, the amount to be deducted as reported in row 18 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 18 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.</p>		
19	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0
	<p><u>Explanation</u></p> <p>For the purpose of determining the total amount of significant capital investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the Monetary Authority that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business.</p> <p>Therefore, the amount to be deducted as reported in row 19 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 19 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.</p>		
39	Insignificant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0
	<p><u>Explanation</u></p> <p>The effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as CET1 capital instruments for the purpose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will mean the headroom within the threshold available for the exemption from capital deduction of other insignificant capital investments in AT1 capital instruments may be smaller. Therefore, the amount to be deducted as reported in row 39 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 39 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.</p>		
54	Insignificant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0
	<p><u>Explanation</u></p> <p>The effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as CET1 capital instruments for the purpose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will mean the headroom within the threshold available for the exemption from capital deduction of other insignificant capital investments in Tier 2 capital instruments may be smaller. Therefore, the amount to be deducted as reported in row 54 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 54 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.</p>		
<p>Remarks:</p> <p>The amount of the 10% / 15% thresholds mentioned above is calculated based on the amount of CET1 capital determined under the Banking (Capital) Rules.</p>			

Abbreviations:

CET1: Common Equity Tier 1

AT1: Additional Tier 1

PUBLIC BANK (HONG KONG) LIMITED
REGULATORY DISCLOSURE

As at 31 December 2013

(b) The breakdown of CET1 capital, Additional Tier 1 capital, Tier 2 capital and regulatory deductions for Public Bank (Hong Kong) Limited and its subsidiary (Continued)
Capital Disclosures Template based on Annex 1

		HK\$'000
CET1 capital: instruments and reserves		
1	Directly issued qualifying CET1 capital instruments plus any related share premium	2,854,045
2	Retained earnings	1,429,068
3	Disclosed reserves	498,537
4	<i>Directly issued capital subject to phase out from CET1 capital (only applicable to non-joint stock companies)</i>	Not applicable
5	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	0
6	CET1 capital before regulatory deductions	4,781,650
CET1 capital: regulatory deductions		
7	Valuation adjustments	0
8	Goodwill (net of associated deferred tax liability)	242,342
9	Other intangible assets (net of associated deferred tax liability)	0
10	Deferred tax assets net of deferred tax liabilities	22,273
11	Cash flow hedge reserve	0
12	Excess of total EL amount over total eligible provisions under the IRB approach	0
13	Gain-on-sale arising from securitization transactions	0
14	Gains and losses due to changes in own credit risk on fair valued liabilities	0
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	0
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	0
17	Reciprocal cross-holdings in CET1 capital instruments	0
18	Insignificant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0
19	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0
20	Mortgage servicing rights (amount above 10% threshold)	Not applicable
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	Not applicable
22	Amount exceeding the 15% threshold	Not applicable
23	of which: significant investments in the common stock of financial sector entities	Not applicable
24	of which: mortgage servicing rights	Not applicable
25	of which: deferred tax assets arising from temporary differences	Not applicable
26	National specific regulatory adjustments applied to CET1 capital	432,846
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	22,701
26b	Regulatory reserve for general banking risks	410,145
26c	Securitization exposures specified in a notice given by the Monetary Authority	0
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	0
26e	Capital shortfall of regulated non-bank subsidiaries	0
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	0
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	0
28	Total regulatory deductions to CET1 capital	697,461
29	CET1 capital	4,084,189
AT1 capital: instruments		
30	Qualifying AT1 capital instruments plus any related share premium	0

PUBLIC BANK (HONG KONG) LIMITED

31	of which: classified as equity under applicable accounting standards	0
32	of which: classified as liabilities under applicable accounting standards	0
33	<i>Capital instruments subject to phase out arrangements from AT1 capital</i>	0
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	0
35	<i>of which: AT1 capital instruments issued by subsidiaries subject to phase out arrangements</i>	0
36	AT1 capital before regulatory deductions	0
AT1 capital: regulatory deductions		
37	Investments in own AT1 capital instruments	0
38	Reciprocal cross-holdings in AT1 capital instruments	0
39	Insignificant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0
40	Significant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0
41	National specific regulatory adjustments applied to AT1 capital	0
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	0
43	Total regulatory deductions to AT1 capital	0
44	AT1 capital	0
45	Tier 1 capital (Tier 1 = CET1 + AT1)	4,084,189
Tier 2 capital: instruments and provisions		
46	Qualifying Tier 2 capital instruments plus any related share premium	0
47	<i>Capital instruments subject to phase out arrangements from Tier 2 capital</i>	0
48	Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group)	0
49	<i>of which: capital instruments issued by subsidiaries subject to phase out arrangements</i>	0
50	Collective impairment allowances and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	266,327
51	Tier 2 capital before regulatory deductions	266,327
Tier 2 capital: regulatory deductions		
52	Investments in own Tier 2 capital instruments	0
53	Reciprocal cross-holdings in Tier 2 capital instruments	0
54	Insignificant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0
55	Significant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0
56	National specific regulatory adjustments applied to Tier 2 capital	(10,215)
56a	Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital	(10,215)
57	Total regulatory deductions to Tier 2 capital	(10,215)
58	Tier 2 capital	276,542
59	Total capital (Total capital = Tier 1 + Tier 2)	4,360,731
60	Total risk weighted assets	24,038,961
Capital ratios (as a percentage of risk weighted assets)		
61	CET1 capital ratio	17.0%
62	Tier 1 capital ratio	17.0%
63	Total capital ratio	18.1%
64	Institution specific buffer requirement (minimum CET1 capital requirement as specified in s.3B of the BCR plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB or D-SIB requirements)	3.5%
65	<i>of which: capital conservation buffer requirement</i>	0.0%
66	<i>of which: bank specific countercyclical buffer requirement</i>	0.0%
67	<i>of which: G-SIB or D-SIB buffer requirement</i>	0.0%
68	CET1 capital surplus over the minimum CET1 requirement and any CET1 capital used to meet the Tier 1 and Total capital requirement under s.3B of the BCR	10.1%
National minima (if different from Basel 3 minimum)		
69	National CET1 minimum ratio	Not applicable
70	National Tier 1 minimum ratio	Not applicable
71	National Total capital minimum ratio	Not applicable

PUBLIC BANK (HONG KONG) LIMITED

Amounts below the thresholds for deduction (before risk weighting)		
72	Insignificant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	8,804
73	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	64,162
74	Mortgage servicing rights (net of related tax liability)	Not applicable
75	Deferred tax assets arising from temporary differences (net of related tax liability)	Not applicable
Applicable caps on the inclusion of provisions in Tier 2 capital		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the basic approach and the standardized (credit risk) approach (prior to application of cap)	431,022
77	Cap on inclusion of provisions in Tier 2 under the basic approach and the standardized (credit risk) approach	266,327
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach (prior to application of cap)	0
79	Cap for inclusion of provisions in Tier 2 under the IRB approach	0
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
80	Current cap on CET1 capital instruments subject to phase out arrangements	Not applicable
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	Not applicable
82	Current cap on AT1 capital instruments subject to phase out arrangements	0
83	Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)	0
84	Current cap on Tier 2 capital instruments subject to phase out arrangements	0
85	Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)	0

Notes to the template:

Elements where a more conservative definition has been applied in the BCR relative to that set out in Basel III capital standards:

Row No.	Description	Hong Kong basis	Basel III basis
	Other intangible assets (net of associated deferred tax liability)	0	0
9	<p><u>Explanation</u></p> <p>As set out in paragraph 87 of the Basel III text issued by the Basel Committee (December 2010), mortgage servicing rights (MSRs) may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to follow the accounting treatment of including MSRs as part of intangible assets reported in the AI's financial statements and to deduct MSRs in full from CET1 capital. Therefore, the amount to be deducted as reported in row 9 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 9 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of MSRs to be deducted to the extent not in excess of the 10% threshold set for MSRs and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities or other credit exposures to connected companies) under Basel III.</p>		
10	<p>Deferred tax assets net of deferred tax liabilities</p> <p><u>Explanation</u></p> <p>As set out in paragraphs 69 and 87 of the Basel III text issued by the Basel Committee (December 2010), DTAs that rely on future profitability of the bank to be realized are to be deducted, whereas DTAs which relate to temporary differences may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to deduct all DTAs in full, irrespective of their origin, from CET1 capital. Therefore, the amount to be deducted as reported in row 10 may be greater than that required under Basel III.</p> <p>The amount reported under the column "Basel III basis" in this box represents the amount reported in row 10 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of DTAs to be deducted which relate to temporary differences to the extent not in excess of the 10% threshold set for DTAs arising from temporary differences and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities and other credit exposures to connected companies) under Basel III.</p>	22,273	0

PUBLIC BANK (HONG KONG) LIMITED

	Insignificant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0
18	<p><u>Explanation</u></p> <p>For the purpose of determining the total amount of insignificant capital investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the Monetary Authority that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business.</p> <p>Therefore, the amount to be deducted as reported in row 18 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 18 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.</p>		
19	<p>Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)</p> <p><u>Explanation</u></p> <p>For the purpose of determining the total amount of significant capital investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the Monetary Authority that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business.</p> <p>Therefore, the amount to be deducted as reported in row 19 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 19 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.</p>	0	0
39	<p>Insignificant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)</p> <p><u>Explanation</u></p> <p>The effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as CET1 capital instruments for the purpose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will mean the headroom within the threshold available for the exemption from capital deduction of other insignificant capital investments in AT1 capital instruments may be smaller. Therefore, the amount to be deducted as reported in row 39 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 39 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.</p>	0	0
54	<p>Insignificant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)</p> <p><u>Explanation</u></p> <p>The effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as CET1 capital instruments for the purpose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will mean the headroom within the threshold available for the exemption from capital deduction of other insignificant capital investments in Tier 2 capital instruments may be smaller. Therefore, the amount to be deducted as reported in row 54 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 54 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.</p>	0	0
<p>Remarks:</p> <p>The amount of the 10% / 15% thresholds mentioned above is calculated based on the amount of CET1 capital determined under the Banking (Capital) Rules.</p>			

Abbreviations:

CET1: Common Equity Tier 1

AT1: Additional Tier 1

PUBLIC BANK (HONG KONG) LIMITED
REGULATORY DISCLOSURE
(c) Reconciliation between the Group's accounting and regulatory balance sheets

	As at 31 December 2014		As at 31 December 2013	
	Consolidated balance sheet as in published financial statements HK\$'000	Under regulatory scope of consolidation HK\$'000	Consolidated balance sheet as in published financial statements HK\$'000	Under regulatory scope of consolidation HK\$'000
Balance sheet				
ASSETS				
Cash and short term placements	3,981,269	3,978,765	3,960,412	3,957,678
Placements with banks and financial institutions maturing				
after one month but not more than twelve months	927,219	927,219	1,195,991	1,195,991
Derivative financial instruments	2,170	2,170	771	771
Loans and advances and receivables	28,433,510	28,433,510	27,027,116	27,027,116
Available-for-sale financial assets	6,804	6,804	6,804	6,804
Held-to-maturity investments	4,951,708	4,951,708	4,780,905	4,780,905
Investments in subsidiaries	0	66,108	0	66,108
Interests in a joint venture	1,693	1,500	1,513	1,500
Deferred tax assets	25,899	25,865	30,542	30,505
Tax recoverable	69	0	8,372	8,042
Intangible assets	718	0	718	0
Property and equipment	67,409	68,749	65,264	66,606
Land held under finance leases	104,621	121,432	101,472	118,643
Investment properties	61,263	61,263	65,543	65,543
Goodwill	242,342	242,342	242,342	242,342
Other assets	164,176	150,822	120,364	127,100
TOTAL ASSETS	38,970,870	39,038,257	37,608,129	37,695,654
EQUITY AND LIABILITIES				
LIABILITIES				
Deposits and balances of banks and other financial institutions at amortised cost	515,065	515,065	483,401	483,401
Derivative financial instruments	5,994	5,994	610	610
Customer deposits at amortised cost	31,655,486	31,880,326	30,090,403	30,300,734
Certificates of deposit issued at amortised cost	1,363,494	1,363,494	1,794,492	1,794,492
Current tax payable	16,444	16,745	22,285	22,261
Deferred tax liabilities	7,024	8,348	6,907	8,232
Other liabilities	373,559	328,460	317,178	304,274
TOTAL LIABILITIES	33,937,066	34,118,432	32,715,276	32,914,004
EQUITY ATTRIBUTABLE TO OWNERS OF THE BANK				
Issued capital	2,854,045	2,854,045	1,481,600	1,481,600
Reserves	2,179,759	2,065,780	3,411,253	3,300,050
TOTAL EQUITY	5,033,804	4,919,825	4,892,853	4,781,650
TOTAL EQUITY AND LIABILITIES	38,970,870	39,038,257	37,608,129	37,695,654

PUBLIC BANK (HONG KONG) LIMITED
REGULATORY DISCLOSURE
(c) Reconciliation between the Group's accounting and regulatory balance sheets (Continued)

	Consolidated balance sheet as in published financial statements HK\$'000	Under regulatory scope of consolidation HK\$'000	Cross reference to definition of capital components
Balance sheet as at 31 December 2014			
ASSETS			
Cash and short term placements	3,981,269	3,978,765	
Placements with banks and financial institutions maturing after one month but not more than twelve months	927,219	927,219	
Derivative financial instruments	2,170	2,170	
Loans and advances and receivables <i>of which: collective impairment allowances reflected in regulatory capital</i>	28,433,510	28,433,510	(1)
Available-for-sale financial assets	6,804	6,804	
Held-to-maturity investments	4,951,708	4,951,708	
Investments in subsidiaries	0	66,108	
Interests in a joint venture	1,693	1,500	
Deferred tax assets	25,899	25,865	(2)
Tax recoverable	69	0	
Intangible assets	718	0	
Property and equipment	67,409	68,749	
Land held under finance leases	104,621	121,432	
Investment properties	61,263	61,263	
Goodwill	242,342	242,342	(3)
Other assets	164,176	150,822	
TOTAL ASSETS	38,970,870	39,038,257	
EQUITY AND LIABILITIES			
LIABILITIES			
Deposits and balances of banks and other financial institutions at amortised cost	515,065	515,065	
Derivative financial instruments	5,994	5,994	
Customer deposits at amortised cost	31,655,486	31,880,326	
Certificates of deposit issued at amortised cost	1,363,494	1,363,494	
Current tax payable	16,444	16,745	
Deferred tax liabilities	7,024	8,348	(4)
Other liabilities	373,559	328,460	
TOTAL LIABILITIES	33,937,066	34,118,432	
EQUITY ATTRIBUTABLE TO OWNERS OF THE BANK			
Issued capital	2,854,045	2,854,045	(5)
Reserves	2,179,759	2,065,780	
<i>of which: Retained earnings</i>		1,530,693	(6)
<i>Other reserves</i>		71,813	(7)
<i>Cumulative fair value gains arising from the revaluation of holdings of land and buildings eligible for inclusive in Tier 2 Capital</i>		10,953	(8)
<i>Cumulative fair value gains arising from the revaluation of holdings of land and buildings not eligible for inclusive in regulatory capital</i>		13,386	(9)
<i>Regulatory reserve not eligible for inclusive in regulatory capital</i>		177,521	(10)
<i>Regulatory reserve in Tier 2 Capital</i>		261,414	(11)
TOTAL EQUITY	5,033,804	4,919,825	
TOTAL EQUITY AND LIABILITIES	38,970,870	39,038,257	

PUBLIC BANK (HONG KONG) LIMITED
REGULATORY DISCLOSURE
(c) Reconciliation between the Group's accounting and regulatory balance sheets (Continued)

	Consolidated balance sheet as in published financial statements HK\$'000	Under regulatory scope of consolidation HK\$'000	Cross reference to definition of capital components
Balance sheet as at 31 December 2013			
ASSETS			
Cash and short term placements	3,960,412	3,957,678	
Placements with banks and financial institutions maturing after one month but not more than twelve months	1,195,991	1,195,991	
Derivative financial instruments	771	771	
Loans and advances and receivables <i>of which: collective impairment allowances reflected in regulatory capital</i>	27,027,116	27,027,116	(1)
Available-for-sale financial assets	6,804	6,804	
Held-to-maturity investments	4,780,905	4,780,905	
Investments in subsidiaries	0	66,108	
Interests in a joint venture	1,513	1,500	
Deferred tax assets	30,542	30,505	(2)
Tax recoverable	8,372	8,042	
Intangible assets	718	0	
Property and equipment	65,264	66,606	
Land held under finance leases	101,472	118,643	
Investment properties	65,543	65,543	
Goodwill	242,342	242,342	(3)
Other assets	120,364	127,100	
TOTAL ASSETS	37,608,129	37,695,654	
EQUITY AND LIABILITIES			
LIABILITIES			
Deposits and balances of banks and other financial institutions at amortised cost	483,401	483,401	
Derivative financial instruments	610	610	
Customer deposits at amortised cost	30,090,403	30,300,734	
Certificates of deposit issued at amortised cost	1,794,492	1,794,492	
Current tax payable	22,285	22,261	
Deferred tax liabilities	6,907	8,232	(4)
Other liabilities	317,178	304,274	
TOTAL LIABILITIES	32,715,276	32,914,004	
EQUITY ATTRIBUTABLE TO OWNERS OF THE BANK			
Issued capital	1,481,600	1,481,600	(5)
Reserves	3,411,253	3,300,050	
<i>of which: Share premium</i>		1,372,445	(6)
<i>Retained earnings</i>		1,406,367	(7)
<i>Other reserves</i>		88,392	(8)
<i>Cumulative fair value gains arising from the revaluation of holdings of land and buildings eligible for inclusive in Tier 2 Capital</i>		10,215	(9)
<i>Cumulative fair value gains arising from the revaluation of holdings of land and buildings not eligible for inclusive in regulatory capital</i>		12,486	(10)
<i>Regulatory reserve not eligible for inclusive in regulatory capital</i>		164,695	(11)
<i>Regulatory reserve in Tier 2 Capital</i>		245,450	(12)
TOTAL EQUITY	4,892,853	4,781,650	
TOTAL EQUITY AND LIABILITIES	37,608,129	37,695,654	

PUBLIC BANK (HONG KONG) LIMITED
REGULATORY DISCLOSURE

As at 31 December 2014

(c) Reconciliation between the Group's accounting and regulatory balance sheets (Continued)
Extract of Capital Disclosures Template based on Annex 1

	Component of regulatory capital reported by the Group HK\$'000	Cross- referenced to consolidated balance sheet	
CET1 capital: instruments and reserves			
1	Directly issued qualifying CET1 capital instruments plus any related share premium	2,854,045	(5)
2	Retained earnings	1,555,030	(6) + (8) + (9)
3	Disclosed reserves	510,748	(7) + (10) + (11)
4	<i>Directly issued capital subject to phase out from CET1 capital (only applicable to non-joint stock companies)</i>	Not applicable	
5	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	0	
6	CET1 capital before regulatory deductions	4,919,823	
CET1 capital: regulatory deductions			
7	Valuation adjustments	0	
8	Goodwill (net of associated deferred tax liability)	242,342	(3)
9	Other intangible assets (net of associated deferred tax liability)	0	
10	Deferred tax assets net of deferred tax liabilities	17,517	(2) - (4)
11	Cash flow hedge reserve	0	
12	Excess of total EL amount over total eligible provisions under the IRB approach	0	
13	Gain-on-sale arising from securitization transactions	0	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	0	
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	0	
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	0	
17	Reciprocal cross-holdings in CET1 capital instruments	0	
18	Insignificant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	
19	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	
20	Mortgage servicing rights (amount above 10% threshold)	Not applicable	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	Not applicable	
22	Amount exceeding the 15% threshold	Not applicable	
23	of which: significant investments in the common stock of financial sector entities	Not applicable	
24	of which: mortgage servicing rights	Not applicable	
25	of which: deferred tax assets arising from temporary differences	Not applicable	
26	National specific regulatory adjustments applied to CET1 capital	463,274	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	24,339	(8) + (9)
26b	Regulatory reserve for general banking risks	438,935	(10) + (11)
26c	Securitization exposures specified in a notice given by the Monetary Authority	0	
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	0	
26e	Capital shortfall of regulated non-bank subsidiaries	0	
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	0	
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	0	

PUBLIC BANK (HONG KONG) LIMITED

28	Total regulatory deductions to CET1 capital	723,133	
29	CET1 capital	4,196,690	
AT1 capital: instruments			
30	Qualifying AT1 capital instruments plus any related share premium	0	
31	of which: classified as equity under applicable accounting standards	0	
32	of which: classified as liabilities under applicable accounting standards	0	
33	<i>Capital instruments subject to phase out arrangements from AT1 capital</i>	0	
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	0	
35	<i>of which: AT1 capital instruments issued by subsidiaries subject to phase out arrangements</i>	0	
36	AT1 capital before regulatory deductions	0	
AT1 capital: regulatory deductions			
37	Investments in own AT1 capital instruments	0	
38	Reciprocal cross-holdings in AT1 capital instruments	0	
39	Insignificant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	
40	Significant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	
41	National specific regulatory adjustments applied to AT1 capital	0	
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	0	
43	Total regulatory deductions to AT1 capital	0	
44	AT1 capital	0	
45	Tier 1 capital (Tier 1 = CET1 + AT1)	4,196,690	
Tier 2 capital: instruments and provisions			
46	Qualifying Tier 2 capital instruments plus any related share premium	0	
47	<i>Capital instruments subject to phase out arrangements from Tier 2 capital</i>	0	
48	Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group)	0	
49	<i>of which: capital instruments issued by subsidiaries subject to phase out arrangements</i>	0	
50	Collective impairment allowances and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	280,337	(1) + (11)
51	Tier 2 capital before regulatory deductions	280,337	
Tier 2 capital: regulatory deductions			
52	Investments in own Tier 2 capital instruments	0	
53	Reciprocal cross-holdings in Tier 2 capital instruments	0	
54	Insignificant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	
55	Significant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	
56	National specific regulatory adjustments applied to Tier 2 capital	(10,953)	
56a	Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital	(10,953)	((8) + (9)) x 45%
57	Total regulatory deductions to Tier 2 capital	(10,953)	
58	Tier 2 capital	291,290	
59	Total capital (Total capital = Tier 1 + Tier 2)	4,487,980	

Abbreviations:

CET1: Common Equity Tier 1

AT1: Additional Tier 1

PUBLIC BANK (HONG KONG) LIMITED
REGULATORY DISCLOSURE

As at 31 December 2013

(c) Reconciliation between the Group's accounting and regulatory balance sheets (Continued)
Extract of Capital Disclosures Template based on Annex 1

	Component of regulatory capital reported by the Group HK\$'000	Cross-referenced to consolidated balance sheet	
CET1 capital: instruments and reserves			
1	Directly issued qualifying CET1 capital instruments plus any related share premium	2,854,045	(5) + (6)
2	Retained earnings	1,429,068	(7) + (9) + (10)
3	Disclosed reserves	498,537	(8) + (11) + (12)
4	<i>Directly issued capital subject to phase out from CET1 capital (only applicable to non-joint stock companies)</i>	Not applicable	
5	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	0	
6	CET1 capital before regulatory deductions	4,781,650	
CET1 capital: regulatory deductions			
7	Valuation adjustments	0	
8	Goodwill (net of associated deferred tax liability)	242,342	(3)
9	Other intangible assets (net of associated deferred tax liability)	0	
10	Deferred tax assets net of deferred tax liabilities	22,273	(2) - (4)
11	Cash flow hedge reserve	0	
12	Excess of total EL amount over total eligible provisions under the IRB approach	0	
13	Gain-on-sale arising from securitization transactions	0	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	0	
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	0	
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	0	
17	Reciprocal cross-holdings in CET1 capital instruments	0	
18	Insignificant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	
19	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	
20	Mortgage servicing rights (amount above 10% threshold)	Not applicable	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	Not applicable	
22	Amount exceeding the 15% threshold	Not applicable	
23	of which: significant investments in the common stock of financial sector entities	Not applicable	
24	of which: mortgage servicing rights	Not applicable	
25	of which: deferred tax assets arising from temporary differences	Not applicable	
26	National specific regulatory adjustments applied to CET1 capital	432,846	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	22,701	(9) + (10)
26b	Regulatory reserve for general banking risks	410,145	(11) + (12)
26c	Securitization exposures specified in a notice given by the Monetary Authority	0	
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	0	
26e	Capital shortfall of regulated non-bank subsidiaries	0	
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	0	
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	0	

PUBLIC BANK (HONG KONG) LIMITED

28	Total regulatory deductions to CET1 capital	697,461	
29	CET1 capital	4,084,189	
AT1 capital: instruments			
30	Qualifying AT1 capital instruments plus any related share premium	0	
31	of which: classified as equity under applicable accounting standards	0	
32	of which: classified as liabilities under applicable accounting standards	0	
33	<i>Capital instruments subject to phase out arrangements from AT1 capital</i>	0	
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	0	
35	<i>of which: AT1 capital instruments issued by subsidiaries subject to phase out arrangements</i>	0	
36	AT1 capital before regulatory deductions	0	
AT1 capital: regulatory deductions			
37	Investments in own AT1 capital instruments	0	
38	Reciprocal cross-holdings in AT1 capital instruments	0	
39	Insignificant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	
40	Significant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	
41	National specific regulatory adjustments applied to AT1 capital	0	
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	0	
43	Total regulatory deductions to AT1 capital	0	
44	AT1 capital	0	
45	Tier 1 capital (Tier 1 = CET1 + AT1)	4,084,189	
Tier 2 capital: instruments and provisions			
46	Qualifying Tier 2 capital instruments plus any related share premium	0	
47	<i>Capital instruments subject to phase out arrangements from Tier 2 capital</i>	0	
48	Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group)	0	
49	<i>of which: capital instruments issued by subsidiaries subject to phase out arrangements</i>	0	
50	Collective impairment allowances and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	266,327	(1) + (12)
51	Tier 2 capital before regulatory deductions	266,327	
Tier 2 capital: regulatory deductions			
52	Investments in own Tier 2 capital instruments	0	
53	Reciprocal cross-holdings in Tier 2 capital instruments	0	
54	Insignificant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	
55	Significant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	
56	National specific regulatory adjustments applied to Tier 2 capital	(10,215)	
56a	Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital	(10,215)	((9) + (10)) x 45%
57	Total regulatory deductions to Tier 2 capital	(10,215)	
58	Tier 2 capital	276,542	
59	Total capital (Total capital = Tier 1 + Tier 2)	4,360,731	

Abbreviations:

CET1: Common Equity Tier 1

AT1: Additional Tier 1