

Public Bank (Hong Kong) Limited
As at 31 March 2017 (Consolidated) (Unaudited)

Template OV1: Overview of RWA

Purpose:	To provide an overview of capital requirements in terms of a detailed breakdowns of RWAs for various risks.
Scope of application:	The template is mandatory for all AIs incorporated in Hong Kong.
Content:	RWA and capital requirements under the Pillar 1 framework.
Frequency:	Quarterly.
Format:	Fixed.
Accompanying narrative:	The table below provides an overview of RWA and the related minimum capital requirements by risk type. The Group has adopted standardised approach for both credit risk RWA and market risk RWA, and standardised/ basic indicator approach for operational risk RWA. During the first quarter of 2017, RWA decreased by HK\$812.9 million to HK\$26.38 billion. The decrease was mainly due to a reduction of HK\$847.2 million in credit risk RWA from decline of risk weighted exposures related to loans and bank placements.
Corresponding BDR section:	16C

		(a)	(b)	(c)
		RWA		Minimum capital requirements ¹
		31 March 2017 HK\$'000	31 December 2016 HK\$'000	31 March 2017 HK\$'000
1	Credit risk for non-securitization exposures (excluding counterparty credit risk and 250% RWA)	22,770,100	23,617,322	1,821,608
2	Of which STC approach	22,770,100	23,617,322	1,821,608
2a	Of which BSC approach	0	0	0
3	Of which IRB approach	0	0	0
4	Counterparty credit risk	2,700	1,575	216
5	Of which SA-CCR	0	0	0
5a	Of which CEM	2,700	1,575	216
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

¹ Calculated at 8% of RWA as of 31 March 2017

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As at 31 March 2017 (Consolidated) (Unaudited) (Continued)

		(a)	(b)	(c)
		RWA		Minimum capital requirements ¹
		31 March 2017 HK\$'000	31 December 2016 HK\$'000	31 March 2017 HK\$'000
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	1,149,250	1,145,950	91,940
17	Of which STM approach	1,149,250	1,145,950	91,940
18	Of which IMM approach	0	0	0
19	Operational risk	2,465,650	2,441,600	197,252
20	Of which BIA approach	1,123,825	1,098,750	89,906
21	Of which STO approach	1,341,825	1,342,850	107,346
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	162,670	168,489	13,013
24b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	148,004	153,823	11,840
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	14,666	14,666	1,173
25	Total	26,385,685	27,198,613	2,110,855

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

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)

PUBLIC BANK (HONG KONG) LIMITED
KEY CAPITAL RATIOS DISCLOSURES

As at 31 March 2017 (Consolidated) (Unaudited)

Capital adequacy ratio		31 March 2017	31 December 2016
Item		HK\$'000	HK\$'000
1	CET1 capital	4,558,947	4,517,221
2	AT1 capital	0	0
3	Tier 1 capital (Tier 1 = CET1 + AT1)	4,558,947	4,517,221
4	Tier 2 capital	298,633	309,224
5	Total capital (Total capital = Tier 1 + Tier 2)	4,857,580	4,826,445
6	Total risk weighted assets	26,385,685	27,198,613
Capital ratios (as a percentage of risk weighted assets)			
	CET1 capital ratio	17.28%	16.61%
	Tier 1 capital ratio	17.28%	16.61%
	Total capital ratio	18.41%	17.75%

Leverage ratio		31 March 2017	31 December 2016
Item		HK\$'000	HK\$'000
1	Tier 1 capital	4,558,947	4,517,221
2	Total exposures	42,643,127	42,213,511
Leverage ratio (as percentage of total exposures)			
	Leverage ratio	10.69%	10.70%

Abbreviations:

CET1: Common Equity Tier 1

AT1: Additional Tier 1