大 眾 財 務 有 限 公 司
PUBLIC FINANCE LIMITED

Public Finance Limited

Pillar 3 Regulatory Disclosures

For the period ended 31 March 2018
(Solo Basis and Unaudited)

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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 Company has adopted standardized approach for both credit risk and operational risk. During the first quarter of 2018, RWA increased by HK$97.7 million to HK$5.57 billion. The increase of RWA was mainly due to an increase of HK$104.4 million in credit risk weighted exposures related to loans and advances.

		(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)	4,285,300	4,180,908	342,824
2	Of which STC approach	4,285,300	4,180,908	342,824
2a	Of which BSC approach	0	0	0
3	Of which IRB approach	0	0	0
4	Counterparty credit risk	0	0	0
5	Of which SA-CCR	0	0	0
5a	Of which CEM	0	0	0
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	0	0	0
17	Of which STM approach	0	0	0
18	Of which IMM approach	0	0	0
19	Operational risk	1,340,263	1,340,713	107,221
20	Of which BIA approach	0	0	0

[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)

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		(a)	(b)	(c)
		RWA		Minimum capital requirements[1]
		31 March 2018	31 December 2017	31 March 2018
		HK$'000	HK$'000	HK$'000
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)	25,275	25,275	2,022
24	Capital floor adjustment	0	0	0
24a	Deduction to RWA	82,067	75,856	6,565
24b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	76,893	70,682	6,151
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	5,174	5,174	414
25	**Total**	**5,568,771**	**5,471,040**	**445,502**

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

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Key Capital Ratios Disclosures

Capital adequacy ratio		31 March 2018	31 December 2017
	Item	**HK$'000**	**HK$'000**
1	CET1 capital	1,265,973	1,191,014
2	AT1 capital	0	0
3	Tier 1 capital (Tier 1 = CET1 + AT1)	1,265,973	1,191,014
4	Tier 2 capital	58,115	56,810
5	Total capital (Total capital = Tier 1 + Tier 2)	1,324,088	1,247,824
6	Total risk weighted assets	5,568,771	5,471,040
Capital ratios (as a percentage of risk weighted assets)			
	CET1 capital ratio	22.73%	21.77%
	Tier 1 capital ratio	22.73%	21.77%
	Total capital ratio	23.78%	22.81%

Leverage ratio		31 March 2018	31 December 2017
	Item	**HK$'000**	**HK$'000**
1	Tier 1 capital	1,265,973	1,191,014
2	Total exposures	6,760,922	6,473,656
Leverage ratio (as percentage of total exposures)			
	Leverage ratio	18.72%	18.40%

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
FBA	Fall-Back Approach
IMM	Internal Models Method
IRB	Internal Ratings-Based
IRB(S)	Internal Ratings-Based (Securitization)
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