

Public Finance Limited

Regulatory Disclosure Statement

**For the position date of 31 March 2025
(Unaudited)**

Table of contents

Template KM1: Key prudential ratios	1
Template OV1: Overview of RWA	3
Template LR2: Leverage ratio	5
Glossary	7

Template KM1: Key prudential ratios

The table below provides key prudential ratios.

		(a)	(b)	(c)	(d)	(e)
		31 March 2025	31 December 2024	30 September 2024	30 June 2024	31 March 2024
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Regulatory capital (amount)						
1 & 1a	Common Equity Tier 1 (CET1)	1,452,785	1,452,971	1,432,200	1,433,050	1,427,656
2 & 2a	Tier 1	1,452,785	1,452,971	1,432,200	1,433,050	1,427,656
3 & 3a	Total capital	1,501,057	1,502,440	1,481,791	1,482,900	1,477,628
RWA (amount)						
4	Total RWA	4,053,040	4,859,609	4,822,643	4,863,854	4,841,926
4a	Total RWA (pre-floor)	4,053,040				
Risk-based regulatory capital ratios (as a percentage of RWA)						
5 & 5a	CET1 ratio (%)	35.84%	29.90%	29.70%	29.46%	29.49%
5b	CET1 ratio (%) (pre-floor ratio)	35.84%				
6 & 6a	Tier 1 ratio (%)	35.84%	29.90%	29.70%	29.46%	29.49%
6b	Tier 1 ratio (%) (pre-floor ratio)	35.84%				
7 & 7a	Total capital ratio (%)	37.04%	30.92%	30.73%	30.49%	30.52%
7b	Total capital ratio (%) (pre-floor ratio)	37.04%				
Additional CET1 buffer requirements (as a percentage of RWA)						
8	Capital conservation buffer requirement (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9	Countercyclical capital buffer requirement (%)	0.500%	0.500%	1.000%	1.000%	1.000%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	0% (Not applicable)				
11	Total AI-specific CET1 buffer requirements (%)	3.000%	3.000%	3.500%	3.500%	3.500%
12	CET1 available after meeting the AI's minimum capital requirements (%)	29.04%	22.92%	22.73%	22.49%	22.52%

		(a)	(b)	(c)	(d)	(e)
		31 March 2025	31 December 2024	30 September 2024	30 June 2024	31 March 2024
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Basel III leverage ratio						
13	Total leverage ratio (LR) exposure measure	6,075,555	5,966,004	5,947,290	5,954,976	5,829,383
13a	LR exposure measure based on mean values of gross assets of SFTs	Not applicable				
14, 14a & 14b	LR (%)	23.91%	24.35%	24.08%	24.06%	24.49%
14c & 14d	LR (%) based on mean values of gross assets of SFTs	Not applicable				
Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)						
	Applicable to category 1 institution only:					
15	Total high quality liquid assets (HQLA)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
16	Total net cash outflows	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
17	LCR (%)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Applicable to category 2 institution only:					
17a	LMR (%)	67.80%	64.75%	67.11%	89.42%	78.09%
Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)						
	Applicable to category 1 institution only:					
18	Total available stable funding	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
19	Total required stable funding	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
20	NSFR (%)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Applicable to category 2A institution only:					
20a	CFR (%)	Not Applicable	Not applicable	Not applicable	Not applicable	Not applicable

Template OV1: Overview of RWA

The table below provides an overview of RWA and the related minimum capital requirements by risk type. The Company has adopted standardised approach for both credit risk and operational risk. During the first quarter of 2025, RWA decreased by HK\$806.57 million to HK\$4.05 billion, mainly due to decrease in operational risk arising from the changes in Banking (Capital) Rules effective on 1 January 2025.

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		31 March 2025	31 December 2024	31 March 2025
		HK\$'000	HK\$'000	HK\$'000
1	Credit risk for non-securitisation exposures	3,633,133	3,728,917	290,651
2	Of which STC approach	3,633,133	3,728,917	290,651
2a	Of which BSC approach	0	0	0
3	Of which foundation IRB approach	0	0	0
4	Of which supervisory slotting criteria approach	0	0	0
5	Of which advanced IRB approach	0	0	0
5a	Of which retail IRB approach	0	0	0
5b	Of which specific risk-weight approach	0	0	0
6	Counterparty credit risk and default fund contributions	0	0	0
7	Of which SA-CCR approach	0	0	0
7a	Of which CEM	0	0	0
8	Of which IMM(CCR) approach	0	0	0
9	Of which others	0	0	0
10	CVA risk	0	0	0
11	Equity positions in banking book under the simple risk-weight method and internal models method	Not applicable	Not applicable	Not applicable
12	Collective investment scheme ("CIS") exposures – look-through approach / third-party approach	Not applicable	Not applicable	Not applicable
13	CIS exposures – mandate-based approach	Not applicable	Not applicable	Not applicable
14	CIS exposures – fall-back approach	Not applicable	Not applicable	Not applicable
14a	CIS exposures – combination of approaches	Not applicable	Not applicable	Not applicable
15	Settlement risk	0	0	0
16	Securitisation exposures in banking book	0	0	0
17	Of which SEC-IRBA	0	0	0
18	Of which SEC-ERBA (including IAA)	0	0	0
19	Of which SEC-SA	0	0	0
19a	Of which SEC-FBA	0	0	0

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		31 March 2025	31 December 2024	31 March 2025
		HK\$'000	HK\$'000	HK\$'000
20	Market risk	0	0	0
21	Of which STM approach	0	0	0
22	Of which IMA	0	0	0
22a	Of which SSTM approach	0	0	0
23	Capital charge for moving exposures between trading book and banking book	Not applicable	Not applicable	Not applicable
24	Operational risk	441,425	1,147,263	35,314
24a	Sovereign concentration risk	0	0	0
25	Amounts below the thresholds for deduction (subject to 250% RW)	25,275	25,275	2,022
26	Output floor level applied	Not applicable	Not applicable	Not applicable
27	Floor adjustment (before application of transitional cap)	Not applicable	Not applicable	Not applicable
28	Floor adjustment (after application of transitional cap)	Not applicable	Not applicable	Not applicable
28a	Deduction to RWA	46,793	41,846	3,744
28b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	43,686	38,739	3,495
28c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	3,107	3,107	249
29	Total	4,053,040	4,859,609	324,243

Template LR2: Leverage ratio

The table below provides a detailed breakdown of the components of the LR denominator as at 31 March 2025 and 31 December 2024. There was no material change to the LR at 31 March 2025 as compared with the position date of 31 December 2024.

		(a)	(b)
		HK\$'000	
		31 March 2025	31 December 2024
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral)	6,086,197	5,976,804
2	Gross-up for derivative contracts collateral provided where deducted from balance sheet assets pursuant to the applicable accounting standard	0	0
3	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	0	0
4	Less: Adjustment for securities received under SFTs that are recognised as an asset	0	0
5	Less: Specific and collective provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital	(38)	(38)
6	Less: Asset amounts deducted in determining Tier 1 capital	(12,463)	(11,844)
7	Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6)	6,073,696	5,964,922
Exposures arising from derivative contracts			
8	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	0	0
9	Add-on amounts for PFE associated with all derivative contracts	0	0
10	Less: Exempted CCP leg of client-cleared trade exposures	0	0
11	Adjusted effective notional amount of written credit-related derivative contracts	0	0
12	Less: Permitted reductions in effective notional amount and permitted deductions from add-on amounts for PFE of written credit-related derivative contracts	0	0
13	Total exposures arising from derivative contracts (sum of rows 8 to 12)	0	0
Exposures arising from SFTs			
14	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	0	0
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	0	0
16	CCR exposure for SFT assets	0	0
17	Agent transaction exposures	0	0
18	Total exposures arising from SFTs (sum of rows 14 to 17)	0	0

		(a)	(b)
		HK\$'000	
		31 March 2025	31 December 2024
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	18,589	10,821
20	Less: Adjustments for conversion to credit equivalent amounts	(16,730)	(9,739)
21	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	0	0
22	Off-balance sheet items (sum of rows 19 to 21)	1,859	1,082
Capital and total exposures			
23	Tier 1 capital	1,452,785	1,452,971
24	Total exposures (sum of rows 7, 13, 18 and 22)	6,075,555	5,966,004
Leverage ratio			
25 & 25a	Leverage ratio	23.91%	24.35%
26	Minimum leverage ratio requirement	3%	3%
27	Applicable leverage buffers	Not applicable	Not applicable
Disclosure of mean values			
28	Mean value of gross assets of SFTs, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	Not applicable	Not applicable
29	Quarter-end value of gross amount of SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	Not applicable	Not applicable
30 & 30a	Total exposures based on mean values from row 28 of gross assets of SFTs (after adjustment for sale accounting transactions and netted amounts of associated cash payables and cash receivables)	Not applicable	Not applicable
31 & 31a	Leverage ratio based on mean values from row 28 of gross assets of SFTs (after adjustment for sale accounting transactions and netted amounts of associated cash payables and cash receivables)	Not applicable	Not applicable

Glossary

<u>Abbreviations</u>	<u>Descriptions</u>
AI	Authorised Institution
BSC Approach	Basic Approach
CCP	Central Counterparty
CCR	Counterparty Credit Risk
CEM	Current Exposure Method
CET1	Common Equity Tier 1
CFR	Core Funding Ratio
CIS	Collective Investment Scheme
CVA	Credit Valuation Adjustment
D-SIBs	Domestic Systemically Important bank
FBA	Fall-Back Approach
G-SIBs	Global Systemically Important Banks
HQLA	High Quality Liquid Assets
IAA	Internal Assessment Approach
IMA	Internal Models Approach
IMM(CCR) Approach	Internal Models (Counterparty Credit Risk) Approach
IRB Approach	Internal Ratings-Based Approach
LCR	Liquidity Coverage Ratio
LMR	Liquidity Maintenance Ratio
LR	Leverage Ratio
LTA	Look Through Approach
MBA	Mandate-Based Approach
NSFR	Net Stable Funding Ratio
PFE	Potential Future Exposure
RW	Risk-Weight
RWA	Risk Weighted Asset/Risk-Weighted Amount
SA-CCR	Standardised Approach (Counterparty Credit Risk)
SEC-ERBA	Securitisation External Ratings-Based Approach
SEC-FBA	Securitisation Fall-Back Approach

Glossary

<u>Abbreviations</u>	<u>Descriptions</u>
SEC-IRBA	Securitisation Internal Ratings-Based Approach
SEC-SA	Securitisation Standardised Approach
SFT	Securities Financing Transaction
SSTM Approach	Simplified Standardised (Market Risk) Approach
STC Approach	Standardised (Credit Risk) Approach
STM Approach	Standardised (Market Risk) Approach