

## Leverage Ratio Common Disclosure Template

As at 31 December 2015

	Item	Leverage ratio framework HK\$ '000 equivalent
<b>On-balance sheet exposures</b>		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	79,745,126
2	Less: Asset amounts deducted in determining Basel III Tier 1 capital (reported as negative amounts)	(3,675,075)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	76,070,051
<b>Derivative exposures</b>		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	976,779
5	Add-on amounts for PFE associated with all derivatives transactions	571,931
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-
7	Less: Deductions of receivables assets for cash variation margin provided in derivatives transactions (reported as negative amounts)	-
8	Less: Exempted CCP leg of client-cleared trade exposures (reported as negative amounts)	-
9	Adjusted effective notional amount of written credit derivatives	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivatives (reported as negative amounts)	-
11	Total derivative exposures (sum of lines 4 to 10)	1,548,710
<b>Securities financing transaction exposures</b>		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	9,651,480

	Item	Leverage ratio framework HK\$ '000 equivalent
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets (reported as negative amounts)	-
14	CCR exposure for SFT assets	518,129
15	Agent transaction exposures	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	10,169,609
<b>Other off-balance sheet exposures</b>		
17	Off-balance sheet exposure at gross notional amount	28,047,161
18	Less: Adjustments for conversion to credit equivalent amounts (reported as negative amounts)	(24,444,535)
19	Off-balance sheet items (sum of lines 17 and 18)	3,602,626
<b>Capital and total exposures</b>		
20	Tier 1 capital	6,477,570
21	Total exposures (sum of lines 3, 11, 16 and 19)	91,390,996
<b>Leverage ratio</b>		
22	<b>Basel III leverage ratio</b>	<b>7.09%</b>