

As at 31 December 2016

**Leverage Ratio Common Disclosure Template**

	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)	82,924,011
2	Less: Asset amounts deducted in determining Basel III Tier 1 capital (reported as negative amounts)	(3,399,646)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	79,524,365
<b>Derivative exposures</b>		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	746,196
5	Add-on amounts for PFE associated with all derivatives transactions	385,410
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)	1,131,606
<b>Securities financing transaction exposures</b>		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	11,344,001

	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	789,116
15	Agent transaction exposures	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	12,133,117
<b>Other off-balance sheet exposures</b>		
17	Off-balance sheet exposure at gross notional amount	26,545,739
18	Less: Adjustments for conversion to credit equivalent amounts (reported as negative amounts)	(23,229,285)
19	Off-balance sheet items (sum of lines 17 and 18)	3,316,454
<b>Capital and total exposures</b>		
20	Tier 1 capital	7,154,632
21	Total exposures (sum of lines 3, 11, 16 and 19)	96,105,542
<b>Leverage ratio</b>		
22	<b>Basel III leverage ratio</b>	<b>7.44%</b>