

**Leverage Ratio Common Disclosure Template**

|   | <b>Item</b>  | <b>Leverage ratio framework<br/>HK\$ '000<br/>equivalent</b> |
|---|--|--|
| <b>On-balance sheet exposures</b>                 |  |  |
| 1   | On-balance sheet items (excluding derivatives and SFTs, but including collateral)  | 83,787,704   |
| 2   | Less: Asset amounts deducted in determining Basel III Tier 1 capital (reported as negative amounts)                                      | (3,543,222)  |
| 3   | Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)   | 80,244,482   |
| <b>Derivative exposures</b>                       |  |  |
| 4   | Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)                               | 640,929  |
| 5   | Add-on amounts for PFE associated with all derivatives transactions  | 408,672  |
| 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)  | 1,049,601  |
| <b>Securities financing transaction exposures</b> |  |  |
| 12  | Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions                                     | 12,068,316   |

|  | Item  | Leverage ratio framework<br>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   | 868,062  |
| 15                                       | Agent transaction exposures   | -  |
| 16                                       | Total securities financing transaction exposures (sum of lines 12 to 15)                                      | 12,936,378                                       |
| <b>Other off-balance sheet exposures</b> |   |  |
| 17                                       | Off-balance sheet exposure at gross notional amount   | 26,505,350                                       |
| 18                                       | Less: Adjustments for conversion to credit equivalent amounts (reported as negative amounts)                  | (23,062,125)                                     |
| 19                                       | Off-balance sheet items (sum of lines 17 and 18)  | 3,443,225  |
| <b>Capital and total exposures</b>       |   |  |
| 20                                       | Tier 1 capital  | 7,624,737  |
| 21                                       | Total exposures (sum of lines 3, 11, 16 and 19)   | 97,673,686                                       |
| <b>Leverage ratio</b>                    |   |  |
| 22                                       | <b>Basel III leverage ratio</b>   | <b>7.81%</b>                                     |