

## Leverage Ratio Common Disclosure Template

	Item	Leverage ratio framework As at 30 June 2016 HK\$m
<b>On-balance sheet exposures</b>		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	892,912
2	Less: Asset amounts deducted in determining Basel III Tier 1 capital (reported as negative amounts)	(6,903)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	886,009
<b>Derivative exposures</b>		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	1,101
5	Add-on amounts for PFE associated with all derivatives transactions	8,880
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	4,542
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivatives (reported as negative amounts)	(4,542)
11	Total derivative exposures (sum of lines 4 to 10)	9,981
<b>Securities financing transaction exposures</b>		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	30,943
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets (reported as negative amounts)	-
14	CCR exposure for SFT assets	-
15	Agent transaction exposures	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	30,943
<b>Other off-balance sheet exposures</b>		
17	Off-balance sheet exposure at gross notional amount	359,715
18	Less: Adjustments for conversion to credit equivalent amounts (reported as negative amounts)	(304,403)
19	Off-balance sheet items (sum of lines 17 and 18)	55,312
<b>Capital and total exposures</b>		
20	Tier 1 capital	54,843
21	Total exposures (sum of lines 3, 11, 16 and 19)	982,245
<b>Leverage ratio</b>		
22	Basel III leverage ratio	5.58%

## Leverage Ratio Summary Comparison Table

	Item	Leverage ratio framework As at 30 June 2016 HK\$m
1	Total consolidated assets as per published financial statements	980,234
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(5,483)
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
4	Adjustments for derivative financial instruments	(3,126)
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	2,329
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	55,312
7	Other adjustments	(47,021)
8	<b>Leverage ratio exposure</b>	<b>982,245</b>