

As at 31 December 2017

Leverage Ratio Common Disclosures Template specified by the Hong Kong Monetary Authority

Item		Leverage ratio framework HK\$'000
<b>On-balance sheet exposures</b>		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	150,158,040
2	Less : Asset amounts deducted in determining Basel III Tier 1 capital (reported as negative amounts)	(1,385,874)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	148,772,166
<b>Derivative exposures</b>		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	567,528
5	Add-on amounts for PFE associated with all derivatives transactions	1,902,773
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	0
7	Less : Deductions of receivables assets for cash variation margin provided in derivatives transactions (reported as negative amounts)	0
8	Less : Exempted CCP leg of client-cleared trade exposures (reported as negative amounts)	0
9	Adjusted effective notional amount of written credit derivatives	0
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivatives (reported as negative amounts)	0
11	Total derivatives exposures (sum of lines 4 to 10)	2,470,301
<b>Securities financing transaction exposures</b>		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	12,916,553
13	Less : Netted amount of cash payables and cash receivables of gross SFT assets (reported as negative amounts)	0
14	CCR exposure for SFT assets	1,719,755
15	Agent transaction exposures	0
16	Total securities financing transaction exposures (sum of lines 12 to 15)	14,636,308
<b>Other off-balance sheet exposures</b>		
17	Off-balance sheet exposures at gross notional amount	38,121,926
18	Less: Adjustments for conversion to credit equivalent amounts (reported as negative amounts)	(29,595,121)
19	Off-balance sheet items (sum of lines 17 and 18)	8,526,805
<b>Capital and total exposures</b>		
20	Tier 1 capital	15,439,164
21	Total exposures (sum of lines 3, 11, 16 and 19)	174,405,580
<b>Leverage ratio</b>		
22	Basel III leverage ratio	8.85%

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Summary Comparison Table Template specified by the Hong Kong Monetary Authority

	Item	Leverage ratio framework HK\$'000
1	Total consolidated assets as per published financial statements	163,747,114
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(445,368)
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	0
4	Adjustments for derivative financial instruments	1,902,773
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	1,719,755
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	8,526,805
7	Other adjustments	(1,045,499)
8	<b>Leverage ratio exposure</b>	174,405,580