

As at 30 June 2015

Leverage Ratio Disclosures in accordance with the requirements issued by Hong Kong Monetary Authority

Item	Leverage ratio framework HK\$'000
On-balance sheet exposures	
1 On-balance sheet items (excluding derivatives and SFTs, but including collateral)	110,395,150
2 Less: Asset amounts deducted in determining Basel III Tier 1 capital (reported as negative amounts)	(1,017,629)
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	109,377,521
Derivative exposures	
4 Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	227,218
5 Add-on amounts for PFE associated with all derivatives transactions	541,272
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)	768,490
Securities financing transaction exposures	
12 Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	4,100,756
13 Less: Netted amounts of cash payables and cash receivables of gross SFT assets (reported as negative amounts)	-
14 CCR exposure for SFT assets	366,491
15 Agent transaction exposures	-
16 Total securities financing transaction exposures (sum of lines 12 to 15)	4,467,247
Other off-balance sheet exposures	
17 Off-balance sheet exposure at gross notional amount	20,428,774
18 Less: Adjustments for conversion to credit equivalent amounts (reported as negative amounts)	(14,896,786)
19 Off-balance sheet items (sum of lines 17 and 18)	5,531,988
Capital and total exposures	
20 Tier 1 capital	9,516,791
21 Total exposures (sum of lines 3, 11, 16 and 19)	120,145,246
Leverage ratio	
22 Base I III leverage ratio	7.92%

As at 30 June 2015

Summary Comparison Table

	Item	Leverage ratio framework HK\$'000
1	Total consolidated assets as per published financial statements	115,821,108
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(1,069,881)
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	541,272
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	366,491
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	5,531,988
7	Other adjustments	(1,045,732)
8	Leverage ratio exposure	120,145,246