

Leverage Ratio Common Disclosure Template

		At 31 Dec 2016
	Item	Leverage ratio framework HK\$ equivalent (HK\$ Million)
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	732,234
2	Less: Asset amounts deducted in determining Basel III Tier 1 capital (reported as negative amounts)	(11,345)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	720,889
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	8,937
5	Add-on amounts for PFE associated with all derivatives transactions	8,954
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)	(971)
8	Less: Exempted CCP leg of client-cleared trade exposures (reported as negative amounts)	-
9	Adjusted effective notional amount of written credit derivatives	116
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)	17,036
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	7,968
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets (reported as negative amounts)	(3,001)

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14	CCR exposure for SFT assets	-
15	Agent transaction exposures	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	4,967
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	218,932
18	Less: Adjustments for conversion to credit equivalent amounts (reported as negative amounts)	(168,702)
19	Off-balance sheet items (sum of lines 17 and 18)	50,230
Capital and total exposures		
20	Tier 1 capital	69,922
21	Total exposures (sum of lines 3, 11, 16 and 19)	793,122
Leverage ratio		
22	Basel III leverage ratio	8.8%