

## Leverage ratio disclosures

### Leverage ratio

		At 31 December 2016
		HK\$'000
<b>On-balance sheet exposures</b>		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	348,909,597
2	Less: Asset amounts deducted in determining Basel III Tier 1 capital	(8,060,752)
3	Total on-balance sheet exposures (excluding derivatives and SFTs)	340,848,845
<b>Derivative exposures</b>		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	761,296
5	Add-on amounts for PFE associated with all derivatives transactions	535,732
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	0
8	Less: Exempted CCP leg of client-cleared trade exposures	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	0
11	Total derivative exposures	1,297,028
<b>Securities financing transaction exposures</b>		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	0
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	0
14	CCR exposure for SFT assets	0
15	Agent transaction exposures	0
16	Total securities financing transaction exposures	0
<b>Other off-balance sheet exposures</b>		
17	Off-balance sheet exposure at gross notional amount	126,687,626
18	Less: Adjustments for conversion to credit equivalent amounts	(89,297,379)
19	Off-balance sheet items	37,390,247
<b>Capital and total exposures</b>		
20	Tier 1 capital	30,567,099
21	Total exposures	379,536,120
<b>Leverage ratio</b>		
22	Basel III leverage ratio	8.05%

### Summary comparison table

		At 31 December 2016
		HK\$'000
1	Total consolidated assets as per published financial statements	348,932,709
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	5,562
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	400,552
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	0
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	37,390,247
7	Other adjustments	(7,192,950)
8	<b>Leverage ratio exposure</b>	<b>379,536,120</b>