

Leverage ratio disclosures

Leverage ratio

		At 31 December 2015
		HK\$'000
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	303,563,354
2	Less: Asset amounts deducted in determining Basel III Tier 1 capital	(8,460,962)
3	Total on-balance sheet exposures (excluding derivatives and SFTs)	295,102,392
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	676,387
5	Add-on amounts for PFE associated with all derivatives transactions	381,216
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	1,057,603
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	1,894,174
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	1,894,174
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	122,687,686
18	Less: Adjustments for conversion to credit equivalent amounts	(81,063,762)
19	Off-balance sheet items	41,623,924
Capital and total exposures		
20	Tier 1 capital	28,630,224
21	Total exposures	339,678,093
Leverage ratio		
22	Basel III leverage ratio	8.43%

Summary comparison table

		At 31 December 2015
		HK\$'000
1	Total consolidated assets as per published financial statements	305,196,793
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	5,666
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	361,337
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)	41,623,924
7	Other adjustments	(7,509,627)
8	Leverage ratio exposure	339,678,093