

Bank of Shanghai (Hong Kong) Limited
Leverage Ratio Disclosures as at 30 June 2015
(Expressed in thousands of Hong Kong dollars)

The following tables set out the detailed composition of the Group's leverage ratio and provide reconciliation between the leverage exposure measure and the consolidated assets of the published financial statements using the Leverage Ratio Common Disclosures and Summary Comparison Table Templates respectively as specified by the HKMA.

Part 1 - Detailed composition of the Group's leverage ratio using the Leverage Ratio Common Disclosures Template

Item	Amount
On-balance sheet exposures	
1 On-balance sheet items (excluding derivatives and SFTs, but including collateral)	12,859,830
2 Less: Asset amounts deducted in determining Basel III Tier 1 capital (reported as negative amounts)	(46,667)
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	12,813,163
Derivative exposures	
4 Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	17,227
5 Add-on amounts for PFE associated with all derivatives transactions	38,274
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)	55,501
Securities financing transaction exposures	
12 Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	-
13 Less: Netted amounts of cash payables and cash receivables of gross SFT assets (reported as negative amounts)	-
14 CCR exposure for SFT assets	-
15 Agent transaction exposures	-
16 Total securities financing transaction exposures (sum of lines 12 to 15)	-
Other off-balance sheet exposures	
17 Off-balance sheet exposure at gross notional amount	1,982,211
18 Less: Adjustments for conversion to credit equivalent amounts (reported as negative amounts)	(1,633,546)
19 Off-balance sheet items (sum of lines 17 and 18)	348,665
Capital and total exposures	
20 Tier 1 capital	2,068,671
21 Total exposures (sum of lines 3, 11, 16 and 19)	13,217,329
Leverage ratio	
22 Basel III leverage ratio	15.65%

Part 2 - Reconciliation between the leverage exposure measure and the consolidated assets of the published financial statements

Item	Leverage ratio framework
1 Total consolidated assets as per published financial statements	12,783,755
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	78,966
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	38,274
5 Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-
6 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	348,665
7 Other adjustments	(32,331)
8 Leverage ratio exposure	13,217,329