

**SCOTIABANK (HONG KONG) LIMITED**

**Regulatory Disclosures**

**July 31, 2020**

**(unaudited)**

## Template KM1: Key prudential ratios

The table below provides an overview of key prudential ratios:

HKD'000		(a)	(b)	(c)	(d)	(e)
		31-Jul-20	30-Apr-20	31-Jan-20	31-Oct-19	31-Jul-19
<b>Regulatory capital (amount)</b>						
1	Common Equity Tier 1 (CET1)	2,880,063	5,479,218	5,464,148	5,424,231	5,394,049
2	Tier 1	2,880,063	5,479,218	5,464,148	5,424,231	5,394,049
3	Total capital	2,880,228	5,481,786	5,465,702	5,425,944	5,395,681
<b>RWA (amount)</b>						
4	Total RWA	1,473,895	8,873,311	10,666,917	12,458,633	11,291,228
<b>Risk-based regulatory capital ratios (as a percentage of RWA)</b>						
5	CET1 ratio (%)	195.40%	61.75%	51.23%	43.54%	47.77%
6	Tier 1 ratio (%)	195.40%	61.75%	51.23%	43.54%	47.77%
7	Total capital ratio (%)	195.42%	61.78%	51.24%	43.55%	47.79%
<b>Additional CET1 buffer requirements (as a percentage of RWA)</b>						
8	Capital conservation buffer requirement (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical capital buffer requirement (%)	0.99%	0.90%	1.67%	1.75%	2.20%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	NA	NA	NA	NA	NA
11	Total AI-specific CET1 buffer requirements (%)	3.49%	3.40%	4.17%	4.25%	4.70%
12	CET1 available after meeting the AI's minimum capital requirements (%)	187.42%	53.85%	42.56%	34.79%	38.57%
<b>Basel III leverage ratio</b>						
13	Total leverage ratio (LR) exposure measure	3,377,509	12,701,840	14,970,968	16,961,042	16,559,959
14	LR (%)	85.27%	43.14%	36.50%	31.98%	32.57%
<b>Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)</b>						
Applicable to category 1 institution only:						
15	Total high quality liquid assets (HQLA)	NA	NA	NA	NA	NA
16	Total net cash outflows	NA	NA	NA	NA	NA
17	LCR (%)	NA	NA	NA	NA	NA
Applicable to category 2 institution only:						
17a	LMR (%)	150.53%	85.27%	52.24%	61.97%	58.13%
<b>Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)</b>						
Applicable to category 1 institution only:						
18	Total available stable funding	NA	NA	NA	NA	NA
19	Total required stable funding	NA	NA	NA	NA	NA
20	NSFR (%)	NA	NA	NA	NA	NA
Applicable to category 2A institution only:						
20a	CFR (%)	1044.63%	99.56%	97.80%	105.32%	102.38%

## Template OV1: Overview of Risk Weighted Assets

The table below provides an overview of capital requirements in terms of a detailed breakdowns of RWAs for various risks:

	HKD'000	(a)	(b)	(c)	
		RWA			Minimum capital requirements
		31-Jul-20	30-Apr-20	31-Jul-20	
1	Credit risk for non-securitization exposures	1,148,957	8,516,186	91,917	
2	Of which STC approach	1,148,957	8,516,186	91,917	
2a	Of which BSC approach	-	-	-	
3	Of which foundation IRB approach	-	-	-	
4	Of which supervisory slotting criteria approach	-	-	-	
5	Of which advanced IRB approach	-	-	-	
6	Counterparty default risk and default fund contributions	-	-	-	
7	Of which SA-CCR*	-	-	-	
7a	Of which CEM	-	-	-	
8	Of which IMM(CCR) approach	-	-	-	
9	Of which others	-	-	-	
10	CVA risk	-	-	-	
11	Equity positions in banking book under the simple risk-weight method and internal models method	-	-	-	
12	Collective investment scheme ("CIS") exposures – LTA*	-	-	-	
13	CIS exposures – MBA*	-	-	-	
14	CIS exposures – FBA*	-	-	-	
14a	CIS exposures – combination of approaches*	-	-	-	
15	Settlement risk	-	-	-	
16	Securitization exposures in banking book	-	-	-	
17	Of which SEC-IRBA	-	-	-	
18	Of which SEC-ERBA (including IAA)	-	-	-	
19	Of which SEC-SA	-	-	-	
19a	Of which SEC-FBA	-	-	-	
20	Market risk	-	-	-	
21	Of which STM approach	-	-	-	
22	Of which IMM approach	-	-	-	
23	Capital charge for switch between exposures in trading book and banking book (not applicable before the revised market risk framework takes effect)*	-	-	-	
24	Operational risk	324,938	357,125	25,995	
24a	Sovereign concentration risk*	-	-	-	
25	Amounts below the thresholds for deduction (subject to 250% RW)	-	-	-	
26	Capital floor adjustment	-	-	-	
26a	Deduction to RWA	-	-	-	
26b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	-	-	-	
26c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	-	-	-	
27	Total	1,473,895	8,873,311	117,912	

Point to note:  
(i) Items marked with an asterisk (\*) will be applicable only after their respective policy frameworks take effect. Until then, "Not applicable" should be reported in the rows.

## Template LR2: Leverage ratio ("LR")

The below table provides a detailed breakdown of the components of the LR denominator:

		(a)	(b)
		HKD'000	
		31-Jul-20	30-Apr-20
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	3,171,522	11,587,508
2	Less: Asset amounts deducted in determining Tier 1 capital	(27)	(423)
3	<b>Total on-balance sheet exposures (excluding derivative contracts and SFTs)</b>	3,171,495	11,587,085
<b>Exposures arising from derivative contracts</b>			
4	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	-	-
5	Add-on amounts for PFE associated with all derivative contracts	-	-
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
7	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	-	-
8	Less: Exempted CCP leg of client-cleared trade exposures	-	-
9	Adjusted effective notional amount of written credit derivative contracts	-	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivative contracts	-	-
11	<b>Total exposures arising from derivative contracts</b>	-	-
<b>Exposures arising from SFTs</b>			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	-
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	-	-
15	Agent transaction exposures	-	-
16	<b>Total exposures arising from SFTs</b>	-	-
<b>Other off-balance sheet exposures</b>			
17	Off-balance sheet exposure at gross notional amount	560,927	3,900,444
18	Less: Adjustments for conversion to credit equivalent amounts	(354,748)	(2,783,121)
19	<b>Off-balance sheet items</b>	206,179	1,117,323
<b>Capital and total exposures</b>			
20	<b>Tier 1 capital</b>	2,880,063	5,479,218
20a	<b>Total exposures before adjustments for specific and collective provisions</b>	3,377,674	12,704,408
20b	<b>Adjustments for specific and collective provisions</b>	(165)	(2,568)
21	<b>Total exposures after adjustments for specific and collective provisions</b>	3,377,509	12,701,840
<b>Leverage ratio</b>			
22	<b>Leverage ratio</b>	85.27%	43.14%

**Template CR8 - Credit Risk for Non-securitization Exposures Disclosures for IRB Approach**

Not applicable as Scotiabank (Hong Kong) Limited adopts standardized approach.

**Template CCR7 - Counterparty Credit Risk Disclosures**

Not applicable as Scotiabank (Hong Kong) Limited did not have exposure that was subject to counterparty credit risk capital charge.

**Template MR2 - Market Risk Disclosures**

Not applicable as Scotiabank (Hong Kong) Limited is exempted from maintaining capital against market risk by the HKMA under S.22(1) of the Banking (Capital) Rules