

Scotiabank (Hong Kong) Limited

Leverage Ratio Disclosures for the year ended Oct 31, 2017

Leverage Ratio Common Disclosure Template

| | Item | Leverage ratio framework HK\$ equivalent |
|---|--|---|
| On-balance sheet exposures | | |
| 1 | On-balance sheet items (excluding derivatives and SFTs, but including collateral) | 14,734,386,892 |
| 2 | Less: Asset amounts deducted in determining Basel III Tier 1 capital (reported as negative amounts) | (3,464,073) |
| 3 | Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2) | 14,730,922,819 |
| Derivative exposures | | |
| 4 | Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin) | - |
| 5 | Add-on amounts for PFE associated with all derivatives transactions | - |
| 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) | - |
| 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 | - |

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|--|--|---|
| 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 | 5,801,195,374 |
| 18 | Less: Adjustments for conversion to credit equivalent amounts (reported as negative amounts) | (2,912,765,105) |
| 19 | Off-balance sheet items (sum of lines 17 and 18) | 2,888,430,269 |
| Capital and total exposures | | |
| 20 | Tier 1 capital | 5,406,447,255 |
| 21 | Total exposures (sum of lines 3, 11, 16 and 19) | 17,619,353,088 |
| Leverage ratio | | |
| 22 | Basel III leverage ratio | 30.68% |