

SCOTIABANK (HONG KONG) LIMITED

Regulatory Disclosures

for the quarter ended Jan 31, 2021

(unaudited)

Template KM1: Key prudential ratios

The table below provides an overview of key prudential ratios:

		(a)	(b)	(c)	(d)	(e)
		31-Jan-21	31-Oct-20	31-Jul-20	30-Apr-20	31-Jan-20
HKD'000						
Regulatory capital (amount)						
1	Common Equity Tier 1 (CET1)	178,160	2,875,814	2,880,063	5,479,218	5,464,148
2	Tier 1	178,160	2,875,814	2,880,063	5,479,218	5,464,148
3	Total capital	178,160	2,875,838	2,880,228	5,481,786	5,465,702
RWA (amount)						
4	Total RWA	298,987	877,990	1,473,895	8,873,311	10,666,917
Risk-based regulatory capital ratios (as a percentage of RWA)						
5	CET1 ratio (%)	59.59%	327.55%	195.40%	61.75%	51.23%
6	Tier 1 ratio (%)	59.59%	327.55%	195.40%	61.75%	51.23%
7	Total capital ratio (%)	59.59%	327.55%	195.42%	61.78%	51.24%
Additional CET1 buffer requirements (as a percentage of RWA)						
8	Capital conservation buffer requirement (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical capital buffer requirement (%)	1.00%	1.00%	0.99%	0.90%	1.67%
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 (%)	3.50%	3.50%	3.49%	3.40%	4.17%
12	CET1 available after meeting the AI's minimum capital requirements (%)	51.59%	319.54%	187.42%	53.85%	42.56%
Basel III leverage ratio						
13	Total leverage ratio (LR) exposure measure	180,722	2,888,372	3,377,509	12,701,840	14,970,968
14	LR (%)	98.58%	99.57%	85.27%	43.14%	36.50%
Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)						
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 (%)	33333382.13%	236.92%	150.53%	85.27%	52.24%
Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)						
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 (%)	475787.77%	527766.44%	1044.63%	99.56%	97.80%

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:

		(a)	(b)	(c)
		RWA		Minimum capital requirements
	HKD'000	31-Jan-21	31-Oct-20	31-Jan-20
1	Credit risk for non-securitization exposures	36,499	584,852	2,920
2	Of which STC approach	36,499	584,852	2,920
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	262,488	293,138	20,999
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	298,987	877,990	23,919

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-Jan-21	31-Oct-20
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	180,722	2,879,991
2	Less: Asset amounts deducted in determining Tier 1 capital	-	(4)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	180,722	2,879,987
Exposures arising from derivative contracts			
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	Total exposures arising from derivative contracts	-	-
Exposures arising from SFTs			
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	Total exposures arising from SFTs	-	-
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	-	18,425
18	Less: Adjustments for conversion to credit equivalent amounts	-	(10,016)
19	Off-balance sheet items	-	8,409
Capital and total exposures			
20	Tier 1 capital	178,160	2,875,814
20a	Total exposures before adjustments for specific and collective provisions	180,722	2,888,396
20b	Adjustments for specific and collective provisions	-	(24)
21	Total exposures after adjustments for specific and collective provisions	180,722	2,888,372
Leverage ratio			
22	Leverage ratio	98.58%	99.57%

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.