

**SCOTIABANK (HONG KONG) LIMITED**

**Regulatory Disclosures**

**for the quarter ended Jul 31, 2021**

**(unaudited)**

## Template KM1: Key prudential ratios

The table below provides an overview of key prudential ratios:

		(a)	(b)	(c)	(d)	(e)
HKD'000		31-Jul-21	30-Apr-21	31-Jan-21	31-Oct-20	31-Jul-20
<b>Regulatory capital (amount)</b>						
1	Common Equity Tier 1 (CET1)	177,461	177,566	178,160	2,875,814	2,880,063
2	Tier 1	177,461	177,566	178,160	2,875,814	2,880,063
3	Total capital	177,461	177,566	178,160	2,875,838	2,880,228
<b>RWA (amount)</b>						
4	Total RWA	246,535	273,662	298,987	877,990	1,473,895
<b>Risk-based regulatory capital ratios (as a percentage of RWA)</b>						
5	CET1 ratio (%)	71.98%	64.89%	59.59%	327.55%	195.40%
6	Tier 1 ratio (%)	71.98%	64.89%	59.59%	327.55%	195.40%
7	Total capital ratio (%)	71.98%	64.89%	59.59%	327.55%	195.42%
<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 (%)	1.00%	1.00%	1.00%	1.00%	0.99%
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%	3.50%	3.50%	3.49%
12	CET1 available after meeting the AI's minimum capital requirements (%)	63.98%	56.89%	51.59%	319.54%	187.42%
<b>Basel III leverage ratio</b>						
13	Total leverage ratio (LR) exposure measure	177,798	178,047	180,722	2,888,372	3,377,509
14	LR (%)	99.81%	99.73%	98.58%	99.57%	85.27%
<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 (%)	99,999,999.99 %	99,999,999.99 %	33,333,382.13 %	236.92 %	150.53 %
<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 (%)	84,485.98 %	64,510.66 %	475,787.77 %	527,766.44 %	1,044.63 %

## Template OV1: Overview of RWA

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-21	30-Apr-21	31-Jul-21
1	Credit risk for non-securitization exposures	35,560	35,887	2,845
2	Of which STC approach	35,560	35,887	2,845
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 approach	-	-	-
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*	Not applicable	Not applicable	Not applicable
13	CIS exposures – MBA*	Not applicable	Not applicable	Not applicable
14	CIS exposures – FBA*	Not applicable	Not applicable	Not applicable
14a	CIS exposures – combination of approaches*	Not applicable	Not applicable	Not applicable
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)*	Not applicable	Not applicable	Not applicable
24	Operational risk	210,975	237,775	16,878
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	246,535	273,662	19,723

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-21	30-Apr-21
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	177,798	178,047
2	Less: Asset amounts deducted in determining Tier 1 capital	-	-
3	<b>Total on-balance sheet exposures (excluding derivative contracts and SFTs)</b>	177,798	178,047
<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 collateral provided in respect of derivative contracts 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-related derivative contracts	-	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit-related 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	-	-
18	Less: Adjustments for conversion to credit equivalent amounts	-	-
19	<b>Off-balance sheet items</b>	-	-
<b>Capital and total exposures</b>			
20	<b>Tier 1 capital</b>	177,461	177,566
20a	<b>Total exposures before adjustments for specific and collective provisions</b>	177,798	178,047
20b	<b>Adjustments for specific and collective provisions</b>	-	-
21	<b>Total exposures after adjustments for specific and collective provisions</b>	177,798	178,047
<b>Leverage ratio</b>			
22	<b>Leverage ratio</b>	99.81%	99.73%

**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.