

THE BANK OF NOVA SCOTIA

Unaudited Financial Information Disclosure Statement as at October 31, 2025

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

I. Profit and loss information	12 mths ended Oct-31-25 HKD'000	12 mths ended Oct-31-24 HKD'000
Interest income	972,781	1,594,082
Interest expense	(828,120)	(1,394,265)
Net interest income	144,661	199,817
Gains less losses arising from trading in foreign currencies	(301)	(519)
Fees and commission income	12,476	13,161
Others	403	111
Operating income	157,239	212,570
Staff expenses	(108,977)	(28,589)
Other expenses	(61,692)	(55,110)
Operating expenses	(170,669)	(83,699)
Profit before taxation	(13,430)	128,871
Tax charge	(10,671)	(23,234)
Profit after taxation	(24,101)	105,637
II. Balance Sheet	Oct-31-25 HKD'000	Apr-30-25 HKD'000
Assets		
Cash and balances with banks	1,228,701	1,851,667
Placements with banks which have a residual contractual maturity of more than one month but not more than 12 months	776,890	1,202,118
Amount due from overseas offices of the institution	98,521	4,813,590
Loans and receivables		
Loans and advances to customers	9,873,996	10,406,842
Accrued interest and other accounts	65,365	119,559
Investment securities	4,233,638	5,563,065
Total assets	16,277,111	23,956,841
Liabilities		
Deposits and balances from banks	2,217,167	2,722,015
Deposits from Central Bank	6,097,300	3,615,650
Deposits from customers		
Demand deposits and current accounts	670	1,695
Savings deposits	1,427	2,239
Time, call and notice deposits	5,352,861	11,673,440
Amount due to overseas offices of the institution	2,460,779	5,704,458
Other liabilities	146,907	237,344
Total liabilities	16,277,111	23,956,841

Impairment allowance for impaired assets

Collective impairment allowances for impaired assets are maintained at overseas Head Office (The Bank of Nova Scotia, "the Bank") incorporated in Canada, while individual impairment allowances are booked in the Hong Kong Office.

No individual impairment allowance was booked for exposures maintained in the Hong Kong Office as at October 31, 2025 (April 30, 2025: Nil).

The Bank applies a three-stage approach to measure allowance for credit losses, using an expected credit loss approach as required under IFRS 9. The impairment allowances pertaining to the exposures classified in Stages 1 and 2 under IFRS 9 are treated as collective impairment allowances and those classified in Stage 3 under IFRS 9 are treated as individual impairment allowances.

The Bank's allowance for credit losses calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either (i) over the following twelve months or (ii) over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

This impairment model measures credit loss allowances using a three-stage approach based on the extent of credit deterioration since origination:

- Stage 1 – Where there has not been a significant increase in credit risk (SIR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.
- Stage 2 – When a financial instrument experiences a SIR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.
- Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

III. Impaired Assets

No advances to customers, banks and other financial institutions were impaired as at October 31, 2025 (April 30, 2025: Nil).

a. *Overdue advances*

No advances to customers, banks, other financial institutions and other assets were overdue as at October 31, 2025 (April 30, 2025: Nil)

b. *Rescheduled advances*

No advances to customers, banks and other financial institutions were rescheduled as at October 31, 2025 (April 30, 2025: Nil).

c. *Repossessed assets*

No repossessed assets as at October 31, 2025 (April 30, 2025: Nil).

IV. Off-Balance Sheet Exposures

	Oct-31-25 HKD'000	Apr-30-25 HKD'000
a. <i>Contingent liabilities and commitments</i>		
- Other commitments	1,562,492	3,841,157
Total	<u>1,562,492</u>	<u>3,841,157</u>
b. <i>Derivatives</i>	Oct-31-25 HKD'000	Apr-30-25 HKD'000
Notional Amounts:		
- Exchange rate contracts	706,040	835,193
- Interest rate contracts	3,262,938	775,560
Total	<u>3,968,978</u>	<u>1,610,753</u>
Fair value:	Oct-31-25 HKD'000	Apr-30-25 HKD'000
- Exchange rate contracts	93	25
Total	<u>93</u>	<u>25</u>

No bilateral netting arrangements were made for the above derivative transactions.

V. **Segmental Information**

a. **Analysis of loans and advances to customers by sectors**

	Oct-31-25		Apr-30-25	
	HKD'000	% of loans and advances covered by collateral	HKD'000	% of loans and advances covered by collateral
Industrial, commercial & financial				
- Property development	800,000	100%	800,000	-
- Information technology	2,900,000	-	3,380,000	-
- Transport and Transport equipment	1,060,000	-	1,224,285	-
- Others	2,600,000	-	2,784,657	-
Loans and advances for use in Hong Kong	7,360,000	10.9%	8,188,942	-
Loans and advances for use outside Hong Kong	2,513,996	55.7%	2,217,900	23.4%
Total loans and advances to customers	9,873,996	22.3%	10,406,842	3.6%

b. **Non-bank Mainland exposures**

	Oct-31-25 HKD'000		
	On-Balance sheet exposure	Off-Balance sheet exposure	Total
- Central government, central government-owned entities and their subsidiaries and JV	109,712	-	109,712
- PRC nationals residing outside Mainland China or other entities incorporated outside Mainland China where the credit is granted or use in Mainland China	600,075	-	600,075
- Other counterparties where the exposure are considered by the reporting institution to be non-bank Mainland China exposures	1,060,244	-	1,060,244
Total	1,770,031	-	1,770,031
Total Asset after provision	16,277,111		
On-balance sheet exposures as % of total asset	10.87%		
	Apr-30-25 HKD'000		
	On-Balance sheet exposure	Off-Balance sheet exposure	Total
- Central government, central government-owned entities and their subsidiaries and JV	324,601	-	324,601
- PRC nationals residing outside Mainland China or other entities incorporated outside Mainland China where the credit is granted or use in Mainland China	603,160	125,000	728,160
Total	927,761	125,000	1,052,761
Total assets after provision	23,956,841		
On-balance sheet exposures as % of total assets	3.87%		

c. **Analysis of advances to customers by geographic areas according to the location of counterparties after risk transfer :**

	Oct-31-25 (HKD millions)	Apr-30-25 (HKD millions)
Hong Kong	9,353	9,887
Rest of Asia Pacific	521	520
	9,874	10,407

d. International Claims

The following table provides a breakdown of international claims by major countries and geographical segments. Only major countries or geographical locations with not less than 10% of the total international claims after taking into account any recognized risk transferred are disclosed.

	Oct-31-25 (HKD millions)				Total
	Banks	Official Sector	Non-bank private sector		
			Non-bank Financial Institutions	Non-financial Private Sector	
Developed Countries	108	-	-	-	108
<i>of which Canada</i>	99	-	-	-	99
<i>of which Japan</i>	1	-	-	-	1
Offshore Centres	395	-	-	1,117	1,513
<i>of which Hong Kong</i>	6	-	-	595	602
<i>of which Macao</i>	-	-	-	398	398
<i>of which Singapore</i>	389	-	-	124	513
Developing Asia and Pacific	1,608	110	-	-	1,717
<i>of which China</i>	1,062	110	-	-	1,172
<i>of which Taiwan</i>	545	-	-	-	545

	Apr-30-25 (HKD millions)				Total
	Banks	Official Sector	Non-bank private sector		
			Non-bank Financial Institutions	Non-financial Private Sector	
Developed Countries	4,873	2,715	-	-	7,588
<i>of which Canada</i>	4,865	-	-	-	4,865
<i>of which Japan</i>	0	2,715	-	-	2,715
Offshore Centres	213	-	-	1,286	1,499
<i>of which Hong Kong</i>	213	-	-	766	979
Developing Asia and Pacific	2,801	325	-	-	3,126
<i>of which China</i>	1,412	325	-	-	1,737

VI. Currency risk

The following position constitutes more than 10% (either positive or negative) of the total net position in all foreign currencies.

	Oct-31-25 (HKD millions)				TOTAL
	JPY	CNY	AUD	USD	
Spot assets	1	111	599	2,029	2,740
Spot liabilities	-	-	(1)	(2,739)	(2,740)
Forward purchases	-	-	-	706	706
Forward sales	-	(109)	(600)	-	(709)
Net long (short) position	1	2	(2)	(4)	(3)

	Apr-30-25 (HKD millions)				TOTAL
	CNY	AUD	USD		
Spot assets	646	584	7,745		8,975
Spot liabilities	(395)	(1)	(8,576)		(8,972)
Forward purchases	-	-	835		835
Forward sales	(249)	(587)	-		(836)
Net long (short) position	2	(4)	4		2

There were no structural assets and liabilities as at October 31, 2025 (April 30, 2025: Nil).

VII. Liquidity Risk Management

Liquidity risk is defined as the risk of being unable to meet financial obligations in a timely manner at reasonable prices. Financial obligations include liabilities to depositors, maturing debt obligations, and lending and pledging commitments.

Effective liquidity risk management is essential to maintain the confidence of counterparties, manage the company's cost of funds and to support core business activities, even under adverse circumstances.

Liquidity risk is managed through a governance structure that includes the frameworks policies, limits, and liquidity risk appetite that approved by senior management committees and Head Office. Senior management receives reports on risk exposures against approved limits. These liquidity limits are subject to appropriate risk governance and oversight from senior management committees including the Asset-Liability Committee (ALCO) and Market Risk Management and Policy Committee

The Bank's liquidity risk management framework addresses the following key elements:

(a) Liquidity Management Strategy – Group Treasury is responsible for the development and implementation of funding and liquidity strategy, subject to review and approval by management commit.

(b) Risk Appetite and Limits – appropriate liquidity risk management limits consistent with the Bank's Enterprise Risk Appetite Framework (RAF) and regulatory requirements. These limits are reviewed and approved by the Board and/or senior management committee at least annually. □

(c) Reporting – Liquidity risk reports are provided to senior management, and relevant committees on a timely and regular basis, where ALCO provides management oversight of liquidity risks. □

(d) Stress testing – The Bank conducts monthly liquidity stress testing, to evaluate the liquidity adequacy of BNSHK and quantify the impact of potential liquidity strains under idiosyncratic, systemic and combined scenarios. A separate intraday liquidity stress test is also performed at each financial quarter to evaluate potential impact from counterparties payment and settlement under stress event.

The Bank's liquidity stress testing program also consider the impact of changes in funding assumptions, depositor behavior, market value of liquid assets and contingent liabilities. The results of stress tests are submitted to Hong Kong Asset Liability Committee (HKALCO) and reviewed by senior management in consideration of making liquidity management decisions.

The HKALCO provides strategic direction for balance sheet management and risk oversight. Specifically, this involves making decisions regarding the management of structural risk, liquidity and funding risk, and investment activities. Decisions can be made on policies, measurement, parameters, and strategies. The ALCO also provides support and guidance to Business Lines regarding balance sheet optimization, including deposit gathering initiatives. □

The core strategies and technique used to mitigate liquidity risk exposures are:

(a) Contingency planning – the Bank maintains a liquidity contingency plan that identifies early warning indicators, specifies an approach for analyzing and responding to actual and potential liquidity events timely in a coordinated manner. The plan outlines an appropriate governance structure for the management and monitoring of liquidity events, processes for effective internal and external communication, formation of a specific Liquidity Management Task force with detailed roles and responsibilities, identifies potential counter measures to be considered at various stages of an event, deactivating and post crisis debrief.

(b) Funding diversification – BNS HK's main funding source is customer deposits. To secure the funding stability, the Bank closely monitors the concentration of customer deposits and manages the diversification of its deposit liabilities by source, type of depositor, instrument, term, and geography.

(c) Core liquidity – the Bank maintains a pool of highly liquid, unencumbered assets that can be readily sold or pledged to secure borrowings under normal/stressed market conditions or due to Bank-specific events. The Bank also maintains marketable liquid assets to support its intra-day settlement obligations in payment,

a. Liquidity Ratios

The following analysis shows the liquidity position for the three months ended October 31, 2024 and its comparative period:

	3 mths ended Oct-31-25	3 mths ended Oct-31-24
Average liquidity maintenance ratio ("LMR") for the period	<u>39.5%</u>	<u>39.6%</u>

The average liquidity maintenance ratio is the simple average of each calendar month's average ratio and has been computed in accordance with the Banking (Liquidity) Rule.

b. Sources of funding

The sources of funding are mainly from the following:

	Oct-31-25 as % of total (HKD millions) liabilities		Oct-31-24 as % of total (HKD millions) liabilities	
Group Companies	2,462	15.1%	8,187	30.5%
Non-bank customers	5,367	33.0%	8,725	32.5%
Banks	2,222	13.7%	7,323	27.3%
Central banks	6,114	37.6%	2,449	9.1%

c. Liquidity Risk Mismatch

The following analysis shows the on and off-balance sheet items, broken down into maturity buckets:

	Oct-31-25 (HKD millions)				
	Total	Within 1 month	Over 1 month to 3 months	Over 3 months to 12 months	Over 1 year
Cash and balances with banks	2,120	1,329	791	-	-
Loans and advances to customers	9,879	4,402	124	1,000	4,353
Investment securities	4,234	4,234	-	-	-
Other assets	44	-	1	8	35
Total on-balance sheet assets	16,277	9,965	916	1,008	4,388
Total off-balance sheet assets	3,263	3,263	-	-	-
Deposits from banks	4,684	3,570	1,114	-	-
Deposits from central bank	6,114	5,112	1,002	-	-
Deposits from non-bank customers	5,367	2,606	2,749	12	-
Other liabilities and reserves	112	74	(54)	-	92
Total on-balance sheet liabilities	16,277	11,362	4,811	12	92
Total off-balance sheet liabilities	4,826	4,826	-	-	-
Contractual maturity mismatch		(2,960)	(3,895)	996	4,296
Cumulative contractual maturity mismatch		(2,960)	(6,855)	(5,859)	(1,563)
	Oct-31-24 (HKD millions)				
	Total	Within 1 month	Over 1 month to 3 months	Over 3 months to 12 months	Over 1 year
Cash and balances with banks	6,170	3,128	1,485	1,557	-
Loans and advances to customers	14,776	7,320	708	1,327	5,421
Investment securities	5,848	5,848	-	-	-
Other assets	42	-	-	-	42
Total on-balance sheet assets	26,836	16,296	2,193	2,884	5,463
Total off-balance sheet assets	1,162	1,162	-	-	-
Deposits from banks	15,506	7,146	6,812	1,548	-
Deposits from central bank	2,449	-	2,449	-	-
Deposits from non-bank customers	8,730	5,982	1,072	1,676	-
Other liabilities and reserves	151	22	15	-	114
Total on-balance sheet liabilities	26,836	13,150	10,348	3,224	114
Total off-balance sheet liabilities	4,771	4,771	-	-	-
Contractual maturity mismatch		(463)	(8,155)	(340)	5,349
Cumulative contractual maturity mismatch		(463)	(8,618)	(8,958)	(3,609)

SECTION B - BANK INFORMATION (CONSOLIDATED BASIS)

1. <u>Capital and capital adequacy</u>	Oct-31-25 CAD millions	Apr-30-25 CAD millions
Shareholders' equity:		
Capital stock		
- Preferred shares and other equity instruments	9,939	10,232
- Common shares and other reserves	21,837	21,912
Retained earnings	58,916	57,965
Accumulated other comprehensive income	(3,826)	(5,191)
Non-controlling interest	1,721	1,588
	<u>88,587</u>	<u>86,506</u>
CET1 capital ratio	13.2%	13.2%
Tier 1 capital ratio	15.3%	15.4%
Total capital ratio	17.1%	17.1%

Capital adequacy ratio is calculated by dividing the components of capital by risk-weighted assets (includes assets which are subject to market risk). Capital adequacy is governed by the requirements of the Office of the Superintendent of Financial Institutions (OSFI) which are consistent with international standards set by the Bank for International Settlements (BIS).

2. <u>Other financial information</u>	Oct-31-25 CAD millions	Apr-30-25 CAD millions
Total assets	1,460,042	1,415,465
Total liabilities	1,371,455	1,328,959
Total advances	771,045	756,372
Total customer deposits	929,385	905,376
Total deposits from banks	36,894	40,467
	12 mths ended Oct-31-25 CAD millions	12 mths ended Oct-31-24 CAD millions
Pre-tax profit	10,509	9,924
After-tax profit	7,758	7,892

Disclosure Statement Available to The Public

To comply with the Banking (Disclosure) Rules, the disclosure statement is available under the "Regulatory Disclosures" Section on the Head Office's website www.scotiabank.com/global/en/country/hong-kong.html

The Bank of Nova Scotia, Hong Kong Branch



Hui Wai Choong
Chief Executive

February 20, 2026

Note: In the event of any difference in interpretation or meaning between the Chinese and English version of this Statement, the English version shall prevail.