

THE BANK OF NOVA SCOTIA

Unaudited Financial Information Disclosure Statement as at April 30, 2025

SECTION A - BRANCH INFORMATION (HONG KONG OFFICE ONLY)

I. Profit and loss information	6 mths ended		6 mths ended	
	Apr-30-25		Apr-30-24	
	HKD'000		HKD'000	
Interest income	585,809		872,122	
Interest expense	(504,067)		(764,897)	
Net interest income	81,742		107,225	
Gains less losses arising from trading in foreign currencies	0		0	
Gains less losses arising from non-trading in foreign currencies	(592)		25 ¹	
Fees and commission income	6,505		6,862	
Operating income	87,655		114,112	
Staff expenses	(29,639)		(5,220)	
Rental expenses	(4,629)		(4,612)	
Other expenses	(24,914)		(22,291)	
Operating expenses	(59,182)		(32,123)	
Profit before taxation	28,473		81,989	
Tax charge	(4,533)		(13,382)	
Profit after taxation	23,940		68,607	

II. Balance Sheet	Apr-30-25		Oct-31-24	
	HKD'000		HKD'000	
Assets				
Cash and balances with banks	1,851,667		1,683,759	
Placements with banks which have a residual contractual maturity of more than one month but not more than 12 months	1,202,118		1,458,955	
Amount due from overseas offices of the institution	4,813,590		2,989,095	
Loans and receivables				
Loans and advances to customers	10,406,842		14,755,079	
Accrued interest and other accounts	119,559	10,526,401	100,730	14,855,809
Investment securities		5,563,065		5,848,296
Total assets	23,956,841		26,835,914	
Liabilities				
Deposits and balances from banks	2,722,015		7,313,159	
Deposits from Central Bank	3,615,650		2,445,700	
Deposits from customers				
Demand deposits and current accounts	1,695		1,954	
Savings deposits	2,239		4,372	
Time, call and notice deposits	11,673,440	11,677,374	8,710,319	8,716,645
Amount due to overseas offices of the institution	5,704,458		8,179,687	
Other liabilities	237,344		180,723	
Total liabilities	23,956,841		26,835,914	

¹ Amount was reclassified from "trading in foreign currencies" to "non-trading in foreign currencies".

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 April 30, 2025 (October 31, 2024: 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 April 30, 2025 (October 31, 2024: Nil).

a. Overdue advances

No advances to customers, banks, other financial institutions and other assets were overdue as at April 30, 2025 (October 31, 2024: Nil).

b. Rescheduled advances

No advances to customers, banks and other financial institutions were rescheduled as at April 30, 2025 (October 31, 2024: Nil).

c. Repossessed assets

No repossessed assets as at April 30, 2025 (October 31, 2024: Nil).

IV. Off-Balance Sheet Exposures

	Apr-30-25 HKD'000	Oct-31-24 HKD'000
a. Contingent liabilities and commitments		
- Other commitments	3,841,157	4,722,520
Total	<u>3,841,157</u>	<u>4,722,520</u>
b. Derivatives		
Notional Amounts:		
- Exchange rate contracts	835,193	752,647
- Interest rate contracts	775,560	1,162,155
Total	<u>1,610,753</u>	<u>1,914,802</u>
	Apr-30-25 HKD'000	Oct-31-24 HKD'000
Fair value:		
- Exchange rate contracts	25	148
Total	<u>25</u>	<u>148</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

	Apr-30-25		Oct-31-24	
	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	-	800,000	-
- Information technology	3,380,000	-	4,000,000	-
- Transport and Transport equipment	1,224,285	-	1,338,571	-
- Others	2,784,657	-	3,377,280	-
Loans and advances for use in Hong Kong	8,188,942	-	9,515,851	-
Loans and advances for use outside Hong Kong	2,217,900	23.4%	5,239,228	12.8%
Total loans and advances to customers	10,406,842	5.0%	14,755,079	4.6%

b. Non-bank Mainland exposures

	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%		

	Oct-31-24 HKD'000		
	On-Balance sheet exposure	Off-Balance sheet exposure	Total
- Central government, central government-owned entities and their subsidiaries and JV	327,191	777,280	1,104,471
- PRC nationals residing outside Mainland China or other entities incorporated outside Mainland China where the credit is granted or use in Mainland China	903,692	125,000	1,028,692
Total	1,230,883	902,280	2,133,163
Total assets after provision	26,835,914		
On-balance sheet exposures as % of total assets	4.59%		

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

	Apr-30-25 (HKD millions)	Oct-31-24 (HKD millions)
Hong Kong	9,887	14,185 ²
Rest of Asia Pacific	520	570
	10,407	14,755

² Amount was reclassified from "Rest of Asia Pacific" to "Hong Kong".

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.

Apr-30-25 (HKD millions)					
	Banks	Official Sector	Non-bank private sector		Total
			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>	-	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

Oct-31-24 (HKD millions)					
	Banks	Official Sector	Non-bank private sector		Total
			Non-bank Financial Institutions	Non-financial Private Sector	
Developed Countries	3,005	2,809	-	-	5,813
<i>of which Canada</i>	2,997	-	-	-	2,997
<i>of which Japan</i>	1	2,809	-	-	2,810
Offshore Centres	397	-	452	3,968	4,816
<i>of which Hong Kong</i>	8	-	452	3,397	3,856
Developing Asia and Pacific	2,708	327	-	-	3,035
<i>of which China</i>	1,844	327	-	-	2,172

VI. Currency risk

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

	Apr-30-25 (HKD millions)			
	CNY	AUD	USD	TOTAL
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

	Oct-31-24 (HKD millions)			
	GBP	AUD	USD	TOTAL
Spot assets	2,022	694	7,238	9,954
Spot liabilities	(2,020)	(692)	(7,733)	(10,445)
Forward purchases	-	128	625	753
Forward sales	-	(128)	(128)	(256)
Net long (short) position	2	2	2	6

There were no structural assets and liabilities as at April 30, 2025 (October 31, 2024: Nil).

VII. Liquidity

The following analysis shows the liquidity position for the three months ended April 30, 2025 and its comparative period:

	3 mths ended Apr-30-25	3 mths ended Apr-30-24
Average liquidity maintenance ratio ("LMR") for the period	38.4%	44.2%

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.

SECTION B - BANK INFORMATION (CONSOLIDATED BASIS)

1. <u>Capital and capital adequacy</u>	Apr-30-25 CAD millions	Oct-31-24 CAD millions
Shareholders' equity:		
Capital stock		
- Preferred shares and other equity instruments	10,232	8,779
- Common shares and other reserves	21,912	21,986
Retained earnings	57,965	57,751
Accumulated other comprehensive income (loss)	(5,191)	(6,147)
Non-controlling interest	1,588	1,707
	<u>86,506</u>	<u>84,076</u>
CET1 capital ratio	13.2%	13.1%
Tier 1 capital ratio	15.4%	15.0%
Total capital ratio	17.1%	16.7%

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>	Apr-30-25 CAD millions	Oct-31-24 CAD millions
Total assets	1,415,465	1,412,027
Total liabilities	1,328,959	1,327,951
Total advances	756,372	760,829
Total customer deposits	905,376	898,935
Total deposits from banks	40,467	44,914
	6 mths ended Apr-30-25 CAD millions	6 mths ended Apr-30-24 CAD millions
Pre-tax profit	4,291	5,361
After-tax profit	3,025	4,291

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

July 25, 2025