Financial Statements of

THE BANK OF NOVA SCOTIA TRUST COMPANY

And Independent Auditor's Report thereon

Year ended October 31, 2025

KPMG LLP
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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of The Bank of Nova Scotia Trust Company

Opinion

We have audited the financial statements of The Bank of Nova Scotia Trust Company (the Entity), which comprise:

- the statement of financial position as at October 31, 2025
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at October 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

December 9, 2025

THE BANK OF NOVA SCOTIA TRUST COMPANY

Statement of Financial Position
(In thousands of dollars)

October 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Cash and deposits with Bank (note 12(a))	$ 10,227,051	$ 9,922,262
Accrued interest on deposits with Bank (note 12)	25,662	38,067
Accrued fees and other receivables (note 12)	26,739	28,650
Advances (note 7)	3,681	2,647
Property and equipment (note 6)	1,715	1,119
Income taxes recoverable	6,138	641
Deferred tax assets (note 11)	266	264
	$ 10,291,252	$ 9,993,650
Liabilities and Equity		
Liabilities:		
Deposits (note 8)	$ 9,528,539	$ 9,239,575
Accounts payable and accrued liabilities	19,077	56,625
Accrued interest on deposits	14,219	25,968
Income taxes payable	–	2,635
	9,561,835	9,324,803
Equity:		
Share capital (note 9)	623,730	623,730
Retained earnings	159,151	98,581
Other reserves	(53,464)	(53,464)
	729,417	668,847
	$ 10,291,252	$ 9,993,650

See accompanying notes to financial statements.

On behalf of the Board:

_____________________________ Director

_____________________________ Director

THE BANK OF NOVA SCOTIA TRUST COMPANY

Statement of Comprehensive Income
(In thousands of dollars)

Year ended October 31, 2025, with comparative information for 2024

	2025	2024
Net interest income:		
Interest income (note 12(a))	$ 389,996	$ 522,643
Interest expense (note 12(c))	317,309	437,268
	72,687	85,375
Non-interest income:		
Estate and trust fees	72,779	55,751
Custody fees (note 12)	28,701	31,349
Other (note 12)	13,859	12,388
	115,339	99,488
Total revenue	188,026	184,863
Non-interest expenses:		
Salaries and benefits	46,675	37,811
Systems and securities services (note 12)	18,817	15,871
Advisory fees (note 12)	11,179	7,676
Management and other fees (note 12(b))	10,394	8,920
Sales and support services (note 12)	7,884	8,567
Premises and technology (note 12)	3,187	1,670
Other	5,726	2,268
	103,862	82,783
Income before income taxes	84,164	102,080
Income taxes (recovery) (note 11):		
Current	23,596	28,792
Deferred	(2)	29
	23,594	28,821
Net income and comprehensive income	$ 60,570	$ 73,259

See accompanying notes to financial statements.

THE BANK OF NOVA SCOTIA TRUST COMPANY

Statement of Changes in Equity
(In thousands of dollars)

Year ended October 31, 2025, with comparative information for 2024

2025	Common shares	Retained earnings	Other reserves	Total equity
Balance, November 1, 2024	$ 623,730	$ 98,581	$ (53,464)	$ 668,847
Net income and comprehensive income	–	60,570	–	60,570
Balance, October 31, 2025	$ 623,730	$ 159,151	$ (53,464)	$ 729,417

2024	Common shares	Retained earnings	Other reserves	Total equity
Balance, November 1, 2023 - pre-amalgamation	$ 613,730	$ 14,946	$ (53,434)	$ 575,242
Amalgamation with an affiliate (note 4)	10,000	10,376	–	20,376
Net income and comprehensive income	–	73,259	–	73,259
Other reserves (note 12(e))	–	–	(30)	(30)
Balance, October 31, 2024	$ 623,730	$ 98,581	$ (53,464)	$ 668,847

See accompanying notes to financial statements.

THE BANK OF NOVA SCOTIA TRUST COMPANY

Statement of Cash Flows
(In thousands of dollars)

Year ended October 31, 2025, with comparative information for 2024

	2025	2024
Cash flows from (used in):		
Operating activities:		
Net income	$ 60,570	$ 73,259
Adjustments for:		
Net interest income	(72,687)	(85,375)
Foreign currency translation loss (gain)	286	(222)
Provision for income taxes	23,594	28,821
Amortization	259	210
Change in non-cash operating items:		
Advances	(1,034)	11,554
Accrued interest on deposits with Bank	12,405	(1,132)
Accrued fees and other receivables and other assets	743	10,384
Deposits	295,901	1,380,813
Accrued interest on deposits	(11,749)	1,330
Accounts payable and accrued liabilities	(37,402)	31,785
Interest received	391,253	522,417
Interest paid	(317,687)	(437,279)
Income taxes paid	(31,579)	(38,455)
	312,873	1,498,110
Investing activities:		
Amalgamation with an affiliate (note 4):		
Cash and deposits with Bank	–	18,599
Property and equipment, net	(855)	(63)
Other reserves (note 12(e))	–	(30)
	(855)	18,506
Effect of exchange rate changes on cash and deposits with Bank	(7,229)	(3,521)
Net change in cash and deposits with Bank	304,789	1,513,095
Cash and deposits with Bank, beginning of year	9,922,262	8,409,167
Cash and deposits with Bank, end of year	$ 10,227,051	$ 9,922,262

See accompanying notes to financial statements.

1. Reporting entity:

The Bank of Nova Scotia Trust Company (the "Company") is a wholly owned subsidiary of The Bank of Nova Scotia (the "Bank"). The Company is domiciled in Canada and is regulated by the Office of the Superintendent of Financial Institutions ("OSFI"). The address of the Company's registered office is 44 King Street West, Toronto, Ontario, Canada. The Company provides personal trust services, which include tax, estate and financial planning.

The Company horizontally amalgamated with ADS Canadian Bank ("ADSB") on November 1, 2022 under a common control transaction. ADSB was incorporated under the Bank Act by Letters Patent dated November 17, 2004. The Bank acquired MD Private Trust Company ("MDPT) from MD Financial Management Inc. ("MDFM") and horizontally amalgamated the Company with MDPT on May 1, 2024 under a common control transaction.

2. Basis of preparation:

(a) Statement of compliance:

The financial statements have been prepared in accordance with Section 308 of the Bank Act and Section 313 of the Trust and Loan Companies Act (Canada), Subsection 4, which provide that, except as otherwise specified by OSFI, the financial statements shall be prepared in accordance with IFRS Accounting Standards ("IFRS").

The financial statements were authorized on December 9, 2025 by the Board of Directors of the Company.

(b) Basis of measurement:

The financial statements have been prepared on the historical cost basis, except for financial assets and liabilities measured at fair value through profit and loss.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information has been rounded to the nearest thousand unless otherwise noted.

2. Basis of preparation (continued):

(d) Use of estimates and judgments:

The preparation of financial statements, in conformity with IFRS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and revenue and expenses during the year. Key areas where management has made difficult, complex or subjective judgments, often as a result of matters that are inherently uncertain, include those relating to the fair value of financial instruments, corporate income taxes and accrued fees as well as the accounting for the amalgamations. Actual results could differ from these and other estimates.

3. Material accounting policies:

The material accounting policies used in the preparation of these financial statements, including the accounting requirements of OSFI and IFRS are summarized below:

(a) Recognition of revenue and expenses:

The Company earns fees and commission revenue from a diverse range of services it provides to its customers. Fees earned for the provision of services over a period of time are accrued over that period the services are provided. These fees include commission income, trust and estate management as well as custodial fees. Trust and custodial fees are mainly calculated as a percentage of period-end market value of the assets under administration and are received monthly, quarterly, semi-annually, or annually based on the underlying client contracts.

Interest income is earned on deposits held in trust and cash balances, and is recorded on an accrual basis.

Advisory fees are expensed as the services are received. All other expenses are recorded on an accrual basis.

3. Material accounting policies (continued):

(b) Related parties:

In the ordinary course of business, the Company provides normal safekeeping, custodial and trusteeship services to the Bank and affiliated companies that are subject to common control. The Bank also provides systems and securities, sales and support and normal banking services to the Company. The Bank provides a guarantee to the Company on all deposits issued and interest owing to customers as disclosed in notes 12(b) and 14(c). All related party transactions are measured and priced on an arm's-length basis.

(c) Income taxes:

The Company follows the balance sheet method of accounting for income taxes. Under this method, deferred tax assets and liabilities represent the cumulative amount of tax applicable to temporary differences between carrying amounts of the assets and liabilities, and their values for tax purposes. Deferred tax assets are recognized only to the extent it is probable that sufficient taxable profits will be available against which these deferred tax assets can be utilized. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Changes in deferred income taxes related to a change in tax rates are recognized in income in the year in which the tax change was enacted or substantively enacted. Deferred and current tax assets and liabilities are only offset where the Company has both the legal right and the intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

(d) Translation of foreign currencies:

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at rates prevailing on the Statement of Financial Position dates. Revenue and expenses denominated in foreign currencies are translated into Canadian dollars at average exchange rates for the year.

Realized and unrealized gains and losses on foreign currency translation and transactions are recorded in other income in the Statement of Comprehensive Income.

3. Material accounting policies (continued):

(e) Financial assets and liabilities:

(i) Recognition and initial measurement:

The Company, on the date of origination or purchase, recognizes financial assets and liabilities at the fair value of the consideration paid or received. Regular-way purchases and sales of financial assets are recognized on the settlement date. All other financial assets and liabilities are initially recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The initial measurement of a financial asset or liability is at fair value plus transaction costs that are directly attributable to its purchase or issuance. For instruments measured at fair value through profit or loss, transaction costs are recognized immediately in profit or loss.

(ii) Classification and measurement:

IFRS 9, *Financial Instruments,* uses a single approach to determine whether a financial asset is measured at amortized cost or fair value. Financial assets will be measured at fair value through profit or loss unless certain conditions are met, which permits measurement at amortized cost or at fair value through other comprehensive income. The financial assets and liabilities, including cash, advances, accrued fees and other receivables and accounts payable and accrued liabilities are carried at fair values in the Statement of Financial Position.

(iii) Financial assets and liabilities measured at amortized cost:

Deposits with Bank are carried at amortized cost as they are held within a business model whose objective is to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income on these instruments is recognized in interest income using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. Impairment on financial assets measured at amortized cost is calculated using the expected credit loss approach.

Deposits are measured and accounted for at amortized cost. Interest on deposits, calculated using the effective interest rate method, is recognized as interest expense.

3. Material accounting policies (continued):

(iv) Determination of fair value

The fair value of a financial asset or liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal, or in its absence, the most advantageous market to which the Company has access at the measurement date.

The Company values instruments carried at fair value using quoted market prices, where available. Fair value based on unadjusted quoted market prices for identical instruments in active markets represents a Level 1 valuation. When quoted market prices are not available, the Company maximizes the use of observable inputs within valuation models. When a fair value is based on all significant market observable inputs, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3.

Inception gains and losses are only recognized where the valuation is dependent on observable market data; otherwise, they are deferred and amortized over the life of the related contract or until the valuation inputs become observable.

(v) Derecognition of financial assets:

A financial asset is derecognized when the contractual rights to the cash flows from the asset have expired; or the Company transfers the contractual rights to receive the cash flows from the financial asset; or has assumed an obligation to pay those cash flows to an independent third-party; or the Company has transferred substantially all the risks and rewards of ownership of that asset to an independent third-party. Management determines whether substantially all the risks and rewards of ownership have been transferred by quantitatively comparing the variability in cash flows before and after the transfer. If the variability in cash flows remains significantly similar subsequent to the transfer, the Company has retained substantially all of the risks and rewards of ownership.

3. Material accounting policies (continued):

Where substantially all the risks and rewards of ownership of the financial asset are neither retained nor transferred, the Company derecognizes the transferred asset only if it has lost control over that asset. Control over the asset is represented by the practical ability to sell the transferred asset. If the Company retains control over the asset, it will continue to recognize the asset to the extent of its continuing involvement. On derecognition of a financial asset, the difference between the carrying amount and the consideration received (including any new asset obtained less any new liability assumed) is recognized in non-interest income in the Statement of Comprehensive Income.

(vi) Derecognition of financial liabilities:

A financial liability is derecognized when the obligation under the liability is discharged, canceled or expires. If an existing financial liability is replaced by another from the same counterparty on substantially different terms, or the terms of the existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability at fair value. The difference in the respective carrying amount of the existing liability and the new liability is recognized as a gain/loss in non-interest income in the Statement of Comprehensive Income.

(vii) Impairment:

The Company uses a single model for the measurement of impairment losses on all financial instruments subject to impairment accounting. The Expected Credit Loss ("ECL") model is based on a forward-looking approach.

The ECL model contains a three-stage approach, which is based on the change in credit quality of loans since initial recognition. Under Stage 1, an amount equal to 12 months expected credit losses will be recorded for financial instruments, where there has not been a significant increase in credit risk since initial recognition. Under Stages 2 and 3, an amount equal to the lifetime expected losses will be recorded for those financial instruments, where there has been a significant increase in credit risk since initial recognition.

3. Material accounting policies (continued):

(f) Property and equipment:

Property and equipment are stated at cost less accumulated amortization. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Office furniture and equipment	3 - 5 years
Leasehold improvements	Over term of allocated project cost

(g) Provisions:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognized as a provision is the Company's best estimate of the consideration required to settle the present obligation, taking into account the risks and uncertainties surrounding the obligation.

(h) Revenue from contracts with customers:

Fees and commission revenue is recognized when a customer obtains control of the service. The transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the service and the performance obligation to the customer has been satisfied. The Company records fees and commission revenue gross of expenses where it is the principal in performing a service to the customer and net of expenses where it is an agent for these services. The assessment of principal or agent requires judgment on the basis of whether the Company controls the services before they are transferred to the customer.

(i) Leases:

At inception of a contract, the Company assesses whether a contract is, or contains a lease. A contract is a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company is not a lessee on any leases, and allocated leasehold improvements continue to be amortized over the term of the allocated project cost.

3. Material accounting policies (continued):

(j) Interest and similar income and expenses:

For all interest-bearing financial instruments, interest income or expense is recorded in net interest income using the effective interest rate. This is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or financial liability. The calculation takes into account all the contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

The carrying amount of interest-bearing financial instruments, measured at amortized cost, is adjusted if the Company revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as non-interest income in the Statement of Comprehensive Income.

Transaction costs incurred on deposits are deferred, netted against deposits in the Statement of Financial Position, and amortized into interest expense in the Statement of Comprehensive Income over the term of the related deposit.

4. Amalgamation with MD Private Trust Company:

On May 1, 2024, the Company amalgamated with an affiliate of the Bank, MDPT. The transaction was considered to be a common control transaction, and the assets, liabilities, and equity of MDPT have been transferred at its carrying value to the amalgamated company. The Company has used the May 1, 2024 assets, liabilities and equity balances of the Company and MDPT to record the amalgamation.

(In thousands of dollars)

4. Amalgamation with MD Private Trust Company (continued):

	The Bank of Nova Scotia Trust Company	MD Private Trust Company	Amalgamated entity
Assets			
Cash and deposits with Bank	$ 9,054,113	$ 18,599	$ 9,072,712
Advances	1,869	–	1,869
Accrued interest on deposits with Bank	40,128	–	40,128
Accrued fees and other receivables	37,368	4,170	41,538
Property and equipment	1,176	–	1,176
Deferred tax assets	93	201	294
	$ 9,134,747	$ 22,970	$ 9,157,717
Liabilities and Equity			
Liabilities			
Deposits	$ 8,475,327	$ –	$ 8,475,327
Accrued interest on deposits	31,336	–	31,336
Accounts payable and accrued liabilities	9,404	2,215	11,619
Income taxes payable	6,808	379	7,187
	$ 8,522,875	$ 2,594	$ 8,525,469
Equity			
Share capital	$ 613,730	$ 10,000	$ 623,730
Retained earnings	51,576	10,376	61,952
Other reserves	(53,434)	–	(53,434)
	$ 611,872	$ 20,376	$ 632,248
	$ 9,134,747	$ 22,970	$ 9,157,717

5. Fair value of financial instruments:

(a) Determination of fair value:

The calculation of fair value is based on market conditions at a specific point in time and therefore may not be reflective of future fair values. The Company has controls and processes in place to ensure that the valuation of financial instruments is appropriately determined.

The Company discloses the classification of all financial instruments carried at fair value in a hierarchy based on the determination of fair value. The best evidence of fair value for a financial instrument is the quoted price in an active market. Fair value based on unadjusted quoted market prices for identical instruments in active markets represents a Level 1 valuation. Where possible, valuations are based on quoted prices or observable inputs obtained from active markets.

Independent Price Verification ("IPV") is undertaken to assess the reliability and accuracy of prices and inputs used in the determination of fair value. The IPV process is performed by price verification groups that are independent of the business. The Company maintains a list of pricing sources that are used in the IPV process. These sources include, but are not limited to, brokers, exchanges and pricing services. The valuation policies relating to the IPV process require that all pricing or rate sources used be external to the Company. At least annually, an independent assessment of pricing or rate sources is performed to determine market presence or market representative levels.

Quoted prices are not always available for over-the-counter ("OTC") transactions, as well as transactions in inactive or illiquid markets. OTC transactions are valued using internal models that maximize the use of observable inputs to estimate fair value. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction. When a fair value is based on all significant market observable inputs, the valuation is classified as Level 2. Financial instruments traded in a less active market can be valued using indicative market prices, the present value of cash flows or other valuation techniques. Fair value estimates normally do not consider forced or liquidation sales.

5. Fair value of financial instruments (continued):

Where financial instruments trade in inactive markets or when using models where observable parameters do not exist, significant management judgment is required for valuation methodologies and model inputs. Valuations that require the significant use of unobservable inputs are considered Level 3.

The specific inputs and valuation techniques used in determining the fair value of financial instruments are noted below.

The fair values of deposits with Bank, other assets and other liabilities are assumed to approximate their carrying values, either due to their short-term nature or because they are frequently repriced to current market rates.

(b) Deposits:

The fair values of deposits payable on demand or after notice or floating rate deposits payable on a fixed date are assumed to equal book value.

The estimated fair values of personal fixed rate deposits payable on a fixed date are fair valued by discounting the expected future contractual cash outflows, using management's best estimate of average market interest rates currently offered for deposits with similar remaining terms.

For all other fixed rate deposits, fair value is determined by discounting the expected future contractual cash flows of these deposits at interest rates estimated by using the appropriate currency swap curves for the remaining term.

(In thousands of dollars)

5. Fair value of financial instruments (continued):

(c) Fair value of financial instruments:

The following table sets out the fair values of financial instruments of the Company using the valuation methods and assumptions described above. The fair values disclosed do not include non-financial assets and liabilities, such as unamortized commissions paid.

As at October 31, 2025	Total fair value	Total carrying value	Favourable / (Unfavourable)
Assets:			
Deposits with Bank	$ 9,913,890	$ 9,913,890	$ –
Other financial assets	52,367	52,367	–
Liabilities:			
Deposits	9,538,343	9,530,340	(8,003)
Other financial liabilities	33,296	33,296	–

As at October 31, 2024	Total fair value	Total carrying value	Favourable / (Unfavourable)
Assets:			
Deposits with Bank	$ 9,630,527	$ 9,630,527	$ –
Other financial assets	66,634	66,634	–
Liabilities:			
Deposits	9,252,837	9,241,818	(11,019)
Other financial liabilities	82,594	82,594	–

Changes in interest rates are the main cause of changes in the fair value of the Company's financial instruments resulting in a favourable or unfavourable variance compared to carrying value. For the Company's financial instruments carried at cost or amortized cost, the carrying value is not adjusted to reflect increases or decreases in fair value due to market fluctuations, including those due to interest rate changes.

5. Fair value of financial instruments (continued):

(d) Fair value hierarchy:

The following table outlines the fair value hierarchy of instruments not carried at fair value[1]:

As at October 31, 2025	Level 1	Level 2	Level 3	Total
Liabilities				
Deposits	$ –	$ 9,538,343	$ –	$ 9,538,343

As at October 31, 2024	Level 1	Level 2	Level 3	Total
Liabilities				
Deposits	$ –	$ 9,252,837	$ –	$ 9,252,837

[1]Represents the fair value of financial liabilities where the carrying amount is not a reasonable approximation of fair value.

(In thousands of dollars)

6. Property and equipment:

	Office furniture and equipment	Leasehold improvements	Total
Cost:			
Balance, October 31, 2023	$ 457	$ 1,415	$ 1,872
Additions	38	25	63
Balance, October 31, 2024	495	1,440	1,935
Additions	239	616	855
Balance, October 31, 2025	$ 734	$ 2,056	$ 2,790
Accumulated amortization:			
Balance, October 31, 2023	$ 172	$ 434	$ 606
Amortization	68	142	210
Balance, October 31, 2024	240	576	816
Amortization	85	174	259
Balance, October 31, 2025	$ 325	$ 750	$ 1,075
Net book value:			
Balance, October 31, 2024	$ 255	$ 864	$ 1,119
Balance, October 31, 2025	409	1,306	1,715

7. Advances:

Advances represent trust clients' short-term overdraft positions funded by the Company. The interest for the advances is based on the prime rate and payable monthly. These advances are secured by client account assets with no fixed repayment terms.

(In thousands of dollars)

8. Deposits:

	2025	2024
Personal	$ 7,255,792	$ 6,940,473
Business and government	2,272,747	2,299,102
Total (note 14(a)(ii))	$ 9,528,539	$ 9,239,575

9. Share capital:

The Company is authorized to issue unlimited preferred shares without nominal or par value, unlimited Class A shares, consisting of 1,000 Class A, Series 1 shares and 1,000 Class A, Series 2 shares, without nominal or par value, unlimited Class B shares, consisting of 1,000 Class B, Series 1 shares and 1,000 Class B, Series 2 shares, without nominal or par value. The Company is also authorized to issue unlimited common shares, without nominal or par value. Subject to the rights of the holders of the common shares, the first preferred shares, the Class B shares and any other class of shares of the Company entitled to receive dividends in priority to or rateably with the holder of the Class A shares, the Board of Directors may in their sole discretion declare dividends on the Class A shares to the exclusion of any other class of shares of the Company. Effective as of October 31, 2018, the issued and outstanding common shares of the Company were consolidated from 82,002,000 common shares issued and outstanding to 79,240 common shares issued and outstanding. The amalgamation with MDPT on May 1, 2024 did not impact the ending number of issued and outstanding common shares. The following are the number of common shares and amounts issued, authorized, fully paid and outstanding as at October 31, 2025 and 2024:

	2025	2024
Issued and outstanding:		
79,240 common shares, beginning of year	$ 623,730	$ 613,730
Amalgamation with an affiliate	–	10,000
79,240 common shares, end of year	$ 623,730	$ 623,730

No dividends were paid in 2025 and 2024.

10. Capital management:

Capital is managed in accordance with the Board-approved Capital Management Policy. Senior executive management of the Bank develop the capital strategy and oversee the capital management processes of the Company. Capital adequacy is managed on a consolidated Bank basis. The Bank also takes measures to ensure its subsidiaries, including the Company, meet or exceed local regulatory capital requirements.

The primary regulator over the Company's capital adequacy is OSFI. The capital adequacy regulations in Canada are largely consistent with international standards set by the Basel Committee on Banking Supervision (BCBS). OSFI requires Canadian federally regulated trust companies to fully implement the Basel III reforms and achieve a minimum 7%, 8.5% and 10.5% for CET1, Tier 1 and Total Capital ratios, respectively. The Company is well in excess of these minimums.

Risk-weighted assets represent the Company's exposure to credit, market and operational risks and are computed by applying OSFI prescribed risk weights to on-and off-balance sheet exposures.

In addition to risk-based capital requirements, Basel III reforms introduced a simpler, non-risk-based Leverage ratio requirement to act as a supplementary measure to its risk-based capital requirements. The Leverage ratio is defined as a ratio of Basel III Tier 1 capital to a leverage exposure measure which includes on-balance sheet assets and off-balance sheet commitments, derivatives and security financing transactions, as defined within the requirements. Institutions are expected to maintain a material operating buffer above the 3% minimum.

(In thousands of dollars)

10. Capital management (continued):

The Company's regulatory capital and leverage position were as follows:

	2025	2024
Common Equity Tier 1 capital[1][2]	\$729,417	\$668,847
Tier 1 capital[1][2]	\$729,417	\$668,847
Total capital[1][2]	\$729,417	\$668,847
Total risk-weighted assets[1][2]	\$2,452,452	\$2,373,636
Capital ratios[1][2]:		
Common Equity Tier 1 capital ratio	29.74%	28.18%
Tier 1 capital ratio	29.74%	28.18%
Total capital ratio	29.74%	28.18%
Leverage[3]:		
Leverage exposures	\$10,291,252	\$9,993,650
Leverage ratio	7.1%	6.7%

[1] The regulatory ratios and amounts reported in 2025 and 2024 are under Basel III requirements.

[2] The regulatory capital ratios are based on Basel III requirements as determined in accordance with OSFI Guideline - Capital Adequacy Requirements (November 2023).

[3] The 2025 and 2024 leverage ratios are based on Basel III requirements as determined in accordance with OSFI Guideline - Leverage Requirements (February 2023).

The Company exceeded the OSFI regulatory minimum capital ratios as at October 31, 2025. OSFI has also prescribed an authorized leverage ratio and the Company was above the regulatory minimum requirement as at October 31, 2025.

(In thousands of dollars)

11. Income taxes:

(a) The provision for income taxes is as follows:

	2025	2024
Current:		
Federal	$ 13,919	$ 16,875
Provincial	9,683	11,748
Adjustment related to prior years	(6)	169
	23,596	28,792
Deferred:		
Federal	(1)	15
Provincial	(1)	11
Adjustment related to prior years	–	3
	(2)	29
	$ 23,594	$ 28,821

(b) Income tax expense varies from the amount that would be computed by applying the statutory rate to income before income taxes for the following reasons:

	2025		2024	
	Amount	%	Amount	%
Income taxes at statutory rate	$ 23,548	28.0	$ 28,570	28.0
Increase in income taxes resulting from:				
Non-deductible expenses	52	–	79	0.1
Adjustment related to prior years	(6)	–	172	0.1
	$ 23,594	28.0	$ 28,821	28.2

(In thousands of dollars)

11. Income taxes (continued):

(c) The tax effected temporary differences which result in deferred income tax assets (liabilities) are as follows:

	2025	2024
Property and equipment	$ 31	$ 52
Deferred compensation	235	212
	$ 266	$ 264

The major changes to net deferred taxes were as follows:

	2025	2024
Balance at beginning of year	$ 264	$ 93
Deferred tax expense for the year recorded in income	2	(29)
Deferred tax benefit for the year recorded in equity	–	200
Balance at end of year	$ 266	$ 264

(In thousands of dollars)

12. Related party transactions and balances:

In addition to the amalgamation transaction (note 4), the Company enters into related party transactions with the Bank and its affiliates in the normal course of business under various agreements. Revenue from related party transactions is generated from trusteeship of the Bank's various plans and income funds, securities custodial and safekeeping services provided and deposits with the Bank. Expenses in related party transactions include the use of premises and facilities and fees paid on system support and securities settlement, investment advisory and sales and support services.

(a) The Company had $10,227,051 of cash and deposits with the Bank as at October 31, 2025 (2024 - $9,922,262). Of this amount, deposits denominated in U.S. dollars were U.S. $708,709 (2024 - U.S. $628,893). A cost reimbursement agreement was signed between the Company and the Bank effective November 1, 2022. The Bank pays a 25 basis points spread on the average balance of deposits deposited with the Bank, including deposits accepted by the Company for the benefit of the Bank on a monthly basis in addition to the interest incurred by the Company. The Company earned interest of $357,636 (2024 - $479,145), which is included in interest income.

(b) The Bank provided the Company with administrative services in the ordinary course of business, including deposit guarantees for which the Company paid fees of $6,036 (2024 - $5,372) which are included in management and other fees.

(c) The Company has entered into a Financial Services Products Distribution and Referral Agreement with 1832 Asset Management LP ("1832 LP"), an affiliated entity. Under this agreement, 1832 LP provides distribution services for financial services products of the Company, including savings accounts and guaranteed investment certificates. In turn, the Company pays 1832 LP a fee, which is included in interest expense. The following table summarizes fees paid to 1832 LP.

	2025	2024
Distribution fees	$ 8,547	$ 8,968
Commission fees	9,335	8,005
	$ 17,882	$ 16,973

(In thousands of dollars)

12. Related party transactions and balances (continued):

In addition to related party amounts disclosed above, the following summarizes the Company's related party balances on the Statement of Financial Position:

	2025	2024
Accrued fees and other receivables	$ 1,476	$ 1,328
Accrued interest on deposits with Bank	25,662	38,067

In addition to related party amounts disclosed above, the following summarizes the Company's related party transactions on the Statement of Comprehensive Income:

	2025	2024
Custody fees	$ 18,947	$ 17,079
Bank service fees included in other income	1,698	1,698
Premises and technology expenses	362	375
Systems and securities services expenses	18,817	15,871
Advisory fees expenses	11,168	7,669
Sales and support services expenses	7,884	8,567

(d) Key management personnel compensation:

Key management personnel include the President and Chief Executive Officer, Treasurer and Chief Financial Officer, and Managing Director, who also have various other roles at the Bank. Included in the sales and support services expenses in this note is the allocated compensation for these individuals.

(e) During 2025, no Part VI.1 tax under the Income Tax Act (Canada) was transferred to the Company. During 2024, the Bank transferred a portion of its Part VI.1 tax to the Company. As a result of assuming the Part VI.1 tax of $1,455, the Company became entitled to an additional income deduction equal to 3.5 times the amount of Part VI.1 tax paid for its year ended October 31, 2024. This resulted in net cost for the Company in the amount of $30, which was recorded as a deduction in other reserves in 2024.

13. Client deposits held in trust:

The Company holds cash deposits which are beneficially owned by clients and therefore not reported on the Company's Statement of Financial Position. These deposits are held in trust on behalf of the Company's clients which are not its own assets. The Company provides services to clients of a custodial nature, including placing the deposits with the Bank in segregated trust accounts for the purpose of earning a return. Interest income earned on deposits held in trust and interest expense incurred on client cash balances are recorded on a gross basis in the Statement of Comprehensive Income. Refer to note 3(a) above for basis of recognition.

14. Risk management:

The Company manages several categories of risk, including market, credit and liquidity risks. The Company has risk management procedures which establish policies, assess risk and implement internal controls to address those risks.

The key financial statement risks are classified as follows:

(a) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. For purposes of this disclosure, the Company segregates market risk into three categories: currency risk, interest rate risk and other price risk.

(i) Currency risk:

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company incurs currency risk on fees in foreign currency and interest on client cash balances in foreign currency. The Company is not exposed to significant foreign exchange risk.

(ii) Interest rate risk:

Interest rate risk arising from the Company's funding and investment activities is managed by the Bank in accordance with Board-approved policies and global limits, which are designed to control the risk to net interest income and economic value of shareholder's equity.

(In thousands of dollars)

14. Risk management (continued):

The following table summarizes the carrying amounts of selected assets and liabilities based on the earlier of contractual repricing or maturity dates:

As at October 31, 2025	Within 1 year	One to 5 years	Over 5 years	No specific maturity[1]	Total
Deposits with Bank	$ 9,913,890	$ –	$ –	$ –	$ 9,913,890
Deposits	$ 9,206,597	$ 323,354	$ 389	$ (1,801)	$ 9,528,539

As at October 31, 2024	Within 1 year	One to 5 years	Over 5 years	No specific maturity[1]	Total
Deposits with Bank	$ 9,630,527	$ –	$ –	$ –	$ 9,630,527
Deposits	$ 8,867,666	$ 373,919	$ 233	$ (2,243)	$ 9,239,575

[1] Represents unamortized commissions paid.

Interest rate risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company incurs interest rate risk on its own cash balances, on the Company's client cash balances held at the Bank and interest received on its advances.

The Company's advances bear interest at a rate of prime, payable monthly. Interest rates on client account cash balances are based on floating interest rates, which vary depending on the amount of cash deposited and product type.

At October 31, 2025, if interest rates at that date had been 10 basis points lower, with all other variables held constant, after-tax net income for the year would have been $59 lower (2024 - $79), arising mainly as a result of lower interest revenue on deposits held in trust and cash balances held at the Bank. Conversely, if interest rates had been 10 basis points higher, with all other variables held constant, after-tax net income would have been $59 higher (2024 - $79).

14. Risk management (continued):

(iii) Other price risk:

Other price risk is the risk that the fair value of a financial instrument will fluctuate because of a change in market prices, other than those arising from interest rate risk or currency risk. The Company is not exposed to significant price risk.

(b) Credit risk:

Credit risk is the risk of loss associated with the inability of a third party to fulfill its payment obligations. The Company's risk that third parties that owe it money will not perform their obligations is minimal. Amounts owing from the Company's clients and receivables due from related parties are received within the following month. These advances are secured by client account assets.

(c) Liquidity risk:

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. The Company's liquidity risk is subject to the same risk management controls adopted by the Bank and is managed within the framework of policies and limits approved by the Bank's Board of Directors. The Bank guarantees all deposits issued by the Company to customers. In addition, the Company's management oversees the Company's liquidity to ensure the Company has access to enough cash to cover its financial obligations as they come due and sustain and grow its assets and operations both under normal and stress conditions.

Liquid assets consist of the following:

	2025	2024
Deposits with Bank(1)	$ 9,913,890	$ 9,630,527
Liquid assets as a percentage of total assets	96.3%	96.4%

(1)Represents cash and demand deposits with the Bank.

15. Provisions:

Provisions are related to reserves for litigation, client claims, taxes and other administrative losses. In the ordinary course of business, the Company may have legal actions and proceedings brought against it. Based on current knowledge, management does not expect the outcome of these proceedings, in aggregate, to have a material adverse effect on the Company's financial position or results of operations. The amounts of financial reserves for prospective legal settlements are reviewed and adjusted accordingly on a regular basis, should a loss occur in excess of what has been accrued. As at October 31, 2025, the Company has not recorded any provisions on the Statement of Financial Position (2024 - nil).