Investor Presentation

THIRD QUARTER 2016

August 30, 2016

Scotiabank®

Caution Regarding Forward-Looking Statements

Our public communications often include oral or written forward-looking statements. Statements of this type are included in this document, and may be included in other filings with Canadian securities regulators or the U.S. Securities and Exchange Commission, or in other communications. All such statements are made pursuant to the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. Forward-looking statements may include, but are not limited to, statements made in this document, the Management's Discussion and Analysis in the Bank's 2015 Annual Report under the headings "Overview-Outlook," for Group Financial Performance "Outlook," for each business segment "Outlook" and in other statements regarding the Bank's objectives, strategies to achieve those objectives, the regulatory environment in which the Bank operates, anticipated financial results (including those in the area of risk management), and the outlook for the Bank's businesses and for the Canadian, U.S. and global economies. Such statements are typically identified by words or phrases such as "believe," "expect," "anticipate," "intent," "estimate," "plan," "may increase," "may fluctuate," and similar expressions of future or conditional verbs, such as "will," "may," "should," "would" and "could." By their very nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, and the risk that predictions and other forward-looking statements will not prove to be accurate. Do not unduly rely on forward-looking statements, as a number of important factors, many of which are beyond the Bank's control and the effects of which can be difficult to predict, could cause actual results to differ materially from the estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to: the economic and financial conditions in Canada and globally; fluctuations in interest rates and currency values; liquidity and funding; significant market volatility and interruptions; the failure of third parties to comply with their obligations to the Bank and its affiliates; changes in monetary policy; legislative and regulatory developments in Canada and elsewhere, including changes to, and interpretations of tax laws and risk-based capital guidelines and reporting instructions and liquidity regulatory guidance; changes to the Bank's credit ratings; operational (including technology) and infrastructure risks; reputational risks; the risk that the Bank's risk management models may not take into account all relevant factors; the accuracy and completeness of information the Bank receives on customers and counterparties; the timely development and introduction of new products and services in receptive markets; the Bank's ability to expand existing distribution channels and to develop and realize revenues from new distribution channels; the Bank's ability to complete and integrate acquisitions and its other growth strategies; critical accounting estimates and the effects of changes in accounting policies and methods used by the Bank as described in the Bank's annual financial statements (See "Controls and Accounting Policies—Critical accounting estimates" in the Bank's 2015 Annual Report) and updated by this document); global capital markets activity; the Bank's ability to attract and retain key executives; reliance on third parties to provide components of the Bank's business infrastructure; unexpected changes in consumer spending and saving habits; technological developments; fraud by internal or external parties, including the use of new technologies in unprecedented ways to defraud the Bank or its customers; increasing cyber security risks which may include theft of assets, unauthorized access to sensitive information or operational disruption; consolidation in the financial services sector in Canada and globally; competition, both from new entrants and established competitors; judicial and regulatory proceedings; natural disasters, including, but not limited to, earthquakes and hurricanes, and disruptions to public infrastructure, such as transportation, communication, power or water supply; the possible impact of international conflicts and other developments, including terrorist activities and war; the effects of disease or illness on local, national or international economies; and the Bank's anticipation of and success in managing the risks implied by the foregoing. A substantial amount of the Bank's business involves making loans or otherwise committing resources to specific companies, industries or countries. Unforeseen events affecting such borrowers, industries or countries could have a material adverse effect on the Bank's financial results, businesses, financial condition or liquidity. These and other factors may cause the Bank's actual performance to differ materially from that contemplated by forward-looking statements. For more information, see the "Risk Management" section starting on page 66 of the Bank's 2015 Annual Report. Material economic assumptions underlying the forward-looking statements contained in this document are set out in the 2015 Annual Report under the heading "Overview-Outlook," as updated by this document; and for each business segment "Outlook". The "Outlook" sections are based on the Bank's views and the actual outcome is uncertain. Readers should consider the above-noted factors when reviewing these sections. The preceding list of factors is not exhaustive of all possible risk factors and other factors could also adversely affect the Bank's results. When relying on forward-looking statements to make decisions with respect to the Bank and its securities, investors and others should carefully consider the preceding factors, other uncertainties and potential events. The Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf. Additional information relating to the Bank, including the Bank's Annual Information Form, can be located on the SEDAR website at www.sedar.com and on the EDGAR section of the SEC's website at www.sec.gov.

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Overview

Brian Porter

President & Chief Executive Officer

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Q3 2016 Overview

- **Strong Q3 results**
  - Net income of $2.0 billion
  - Diluted EPS of $1.54 per share
  - ROE of 14.8%
- **Revenue growth of 8% year-over-year**
- **Positive operating leverage of 1.6% YTD[1]**
- **Capital position remains strong at 10.5%**
- **Quarterly dividend of $0.74 per share, up 2 cents**

(1) Excluding restructuring charge of $278 million after-tax ($378 million before-tax)




Financial Review

Sean McGuckin

Chief Financial Officer

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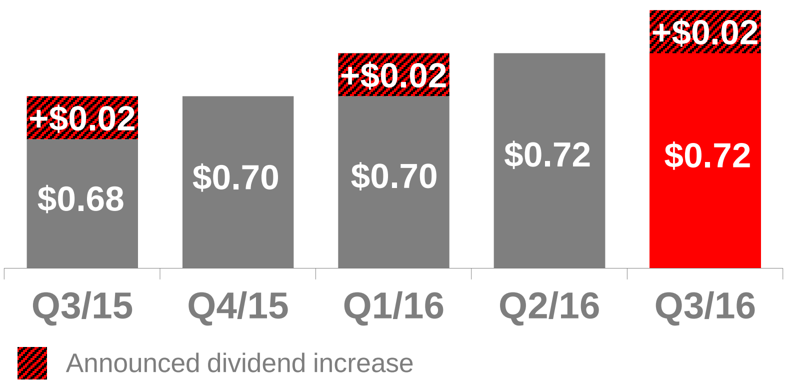
Q3 2016 Financial Performance

$ millions, except EPS	Q3/16	Q/Q[1]	Y/Y
Net Income	$1,959	+5%	+6%
Diluted EPS	$1.54	+5%	+6%
Revenues	$6,640	+1%	+8%
Expenses	$3,505	+2%	+5%
Productivity Ratio	52.8%	+60bps	-160bps
Core Banking Margin[1]	2.38%	+0bps	-2bps

Dividends Per Common Share



(1) Excluding restructuring charge of $278 million after-tax ($378 million before-tax)

Year-over-Year Highlights

- **Diluted EPS growth of 6%**
- **Revenue growth of 8%**
  - Asset growth across all business lines
  - Positive impact of acquisitions
  - Stronger trading and banking revenues, higher underwriting and advisory fees and positive impact of foreign currency translation
  - Partially offset by a lower contribution from investments in associates
- **Expense growth up 5%**
  - Continued investment in strategic initiatives reflecting higher technology and professional costs
  - Impact of acquisitions, partially offset by the benefit of foreign currency translation
- **Quarterly dividend increased to $0.74 per share**

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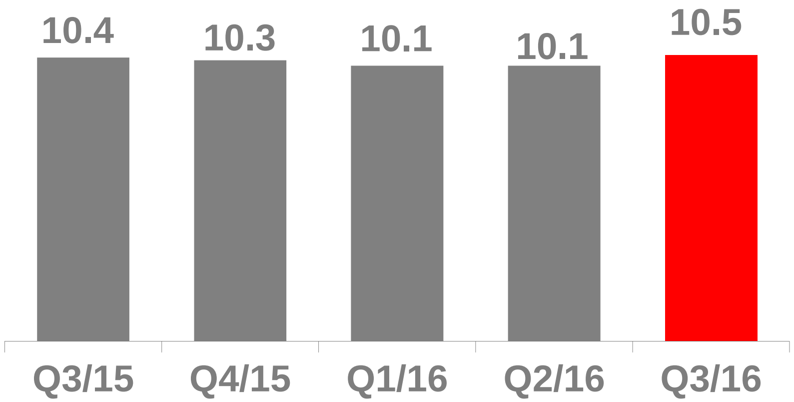
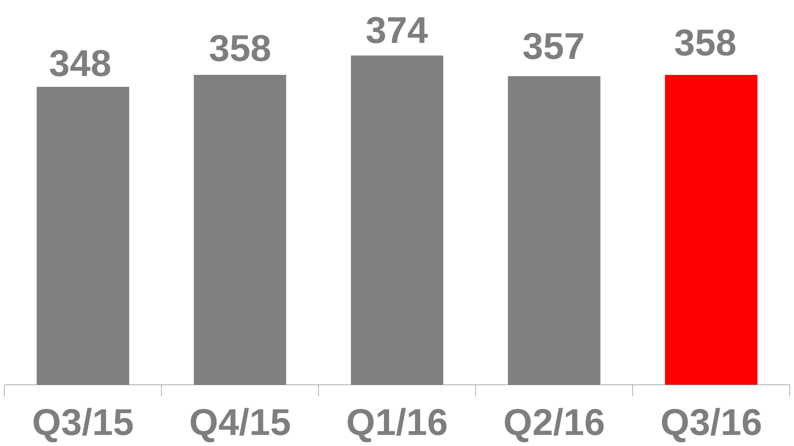
Capital – Strong Position

Basel III Common Equity Tier 1 (CET1) (%)



CET1 Risk-Weighted Assets ($B)



Highlights

- **Internal capital generation of $1.0 billion**
- **Quarterly dividend of $0.74, up 6% year-over-year**
- **CET1 risk-weighted assets increased $0.8 billion Q/Q**
  - Impact of a weaker Canadian dollar on foreign currency denominated risk weighted assets
  - Mostly offset by lower credit and market-risk weighted assets
- **Leverage ratio of 4.2%**

Capital position is strong

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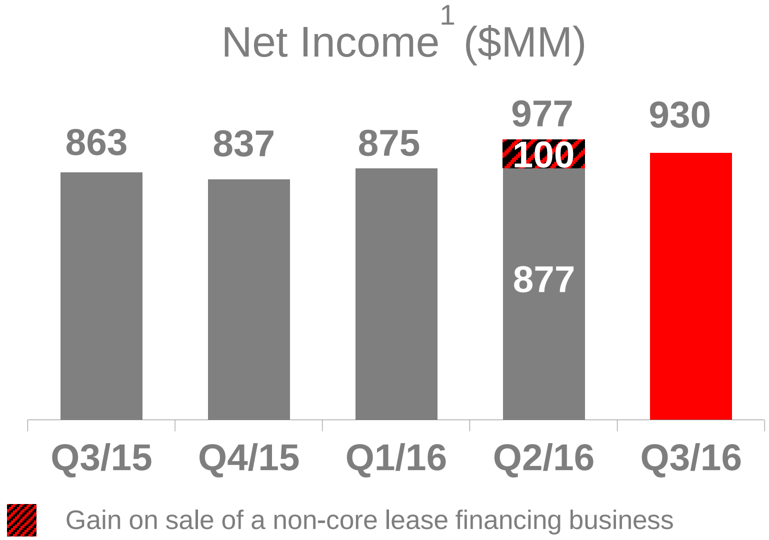
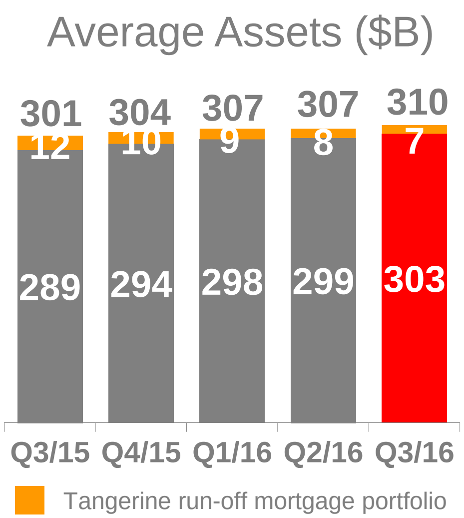
Canadian Banking





(1) Attributable to equity holders of the Bank

Year-over-Year Highlights

- **Net income up 8%**
- **Loan growth of 3%**
  - Ex. Tangerine run-off portfolio, up 5%
  - Double digit growth in credit cards and auto lending
- **Deposits up 7%**
  - Retail chequing was up 9% and savings deposits were up 14%
- **NIM up 13 bps**
  - Higher margin personal lending and margin expansion in deposits
  - Impact of acquisition
  - Run-off of low spread Tangerine mortgages
- **PCL loss ratio up 6 bps**
- **Expenses up 4% or 2% excluding acquisition**
  - Higher technology, internal investments and salary increases were partially offset by benefits realized from cost reduction initiatives

Strong volume growth and margin expansion

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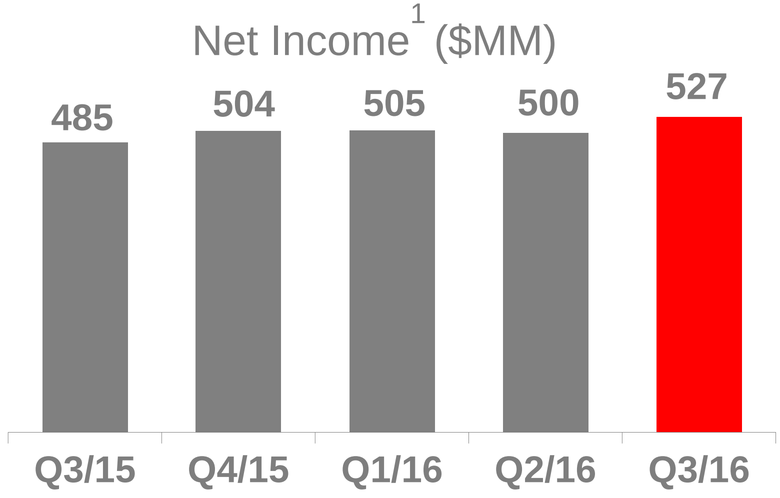
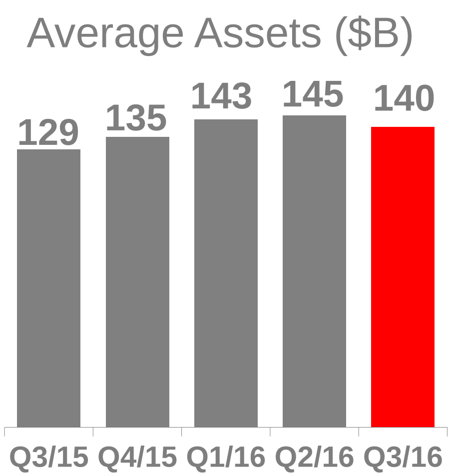
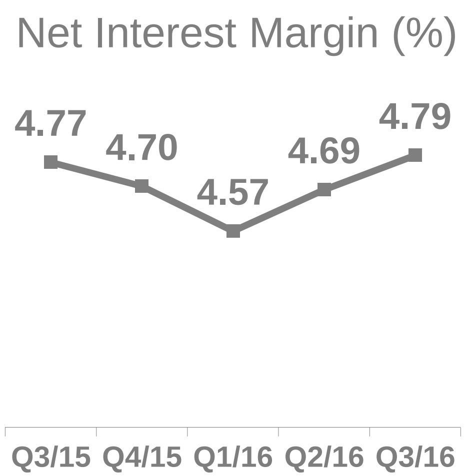
International Banking







(1) Attributable to equity holders of the Bank

Year-over-Year Highlights

- **Net Income up 9%**
  - Strong loan, deposit and fee growth
  - Positive operating leverage
- **Loans up 9% and deposits up 15%**
  - Ex. FX translation, loans up 11% (Latin America up 14%) and deposits up 17%
- **NIM up 2 bps**
- **PCL loss ratio improved by 1 bp**
- **Expenses up 4%**
  - Business volume and inflationary increases
  - Impact of higher costs from acquisitions was largely offset by the positive impact of foreign currency translation
- **Operating leverage of +2.8% YTD**

Strong volume growth and operating leverage

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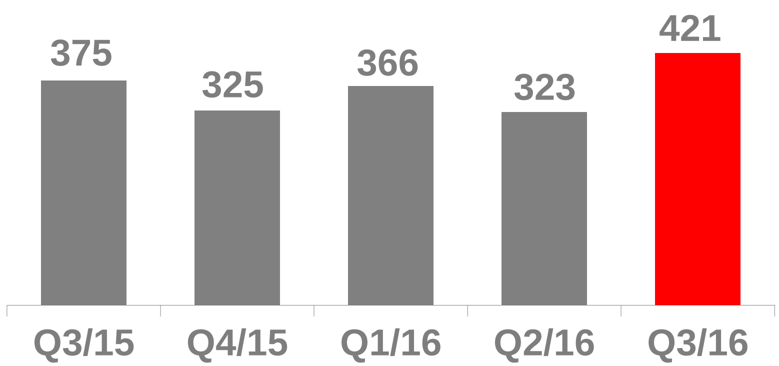
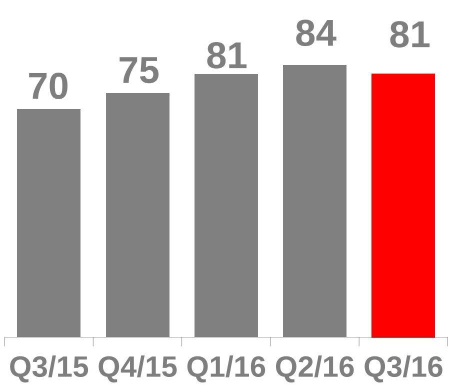
Global Banking and Markets

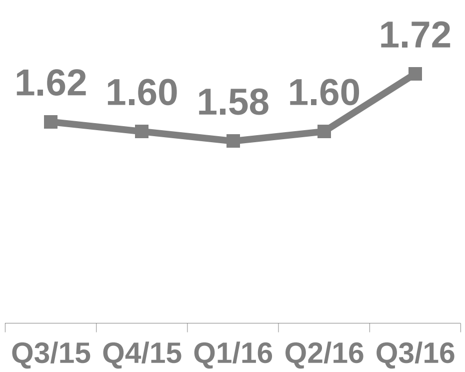
Net Income[1] ($MM)



Average Loans[2] ($B)



Net Interest Margin[3] (%)



(1) Attributable to equity holders of the Bank
(2) Average Business & Government Loans & Acceptances
(3) Corporate Banking only

Year-over-Year Highlights

- **Net Income up 12%**
  - Higher contributions from fixed income, corporate banking, investment banking and precious metals
  - Positive impact of foreign currency translation
  - Partly offset by higher PCLs and lower contribution from equities
- **Revenue up 19% and NIM up 10bps**
- **Loans up 16%**
- **PCL loss ratio up 11 bps, driven by a small number of loans in energy**
- **Expenses up 9%**
  - Higher technology and regulatory costs, as well as increased stock-based and performance-related compensation, partly offset by lower salaries

Strong quarter, driven by higher client activity

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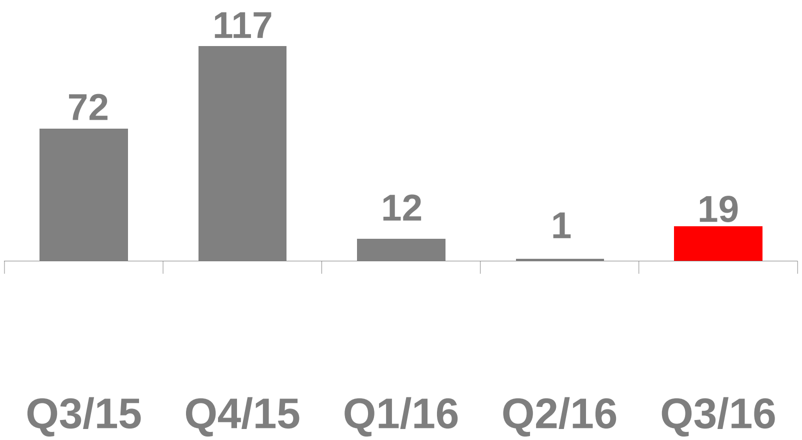
Other Segment[1]

Net Income[2, 3] ($MM)



Year-over-Year Highlights[3]

- Lower contributions from asset/liability management activities and higher expenses were partly offset by a higher net gain on investment securities and lower taxes

(1) Includes Group Treasury, smaller operating segments, and other corporate items which are not allocated to a business line. The results primarily reflect the net impact of asset/liability management activities
(2) Attributable to equity holders of the Bank
(3) Excluding restructuring charge of $278 million after-tax ($378 million before-tax) in Q2/16

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Risk Review

Stephen Hart

Chief Risk Officer

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Risk Review

- **Overall credit fundamentals remain within expectations**
- **Energy related PCLs have declined from peak levels in Q2/16**
- **PCL ratio – Improved to 47 basis points after posting peak levels of 59 basis points[1] last quarter**
  - PCL ratio up 5 bps Y/Y
- **Gross impaired loans of $5.3 billion were up 5% Q/Q[2]**
  - Net impaired loan ratio up 2 bps Q/Q
  - Net formations of $788 million was down from $982 million in Q2/16, driven by International Commercial
- **Market risk remains well-controlled**
  - Average 1-day all-bank VaR of $11.0 million, down from $13.9 million in Q2/16

(1) Excludes collective allowance increase; including collective allowance increase, All Bank PCL ratio was 0.64

(2) Excludes loans acquired under the Federal Deposit Insurance Corporation (FDIC) guarantee related to the acquisition of R-G Premier Bank of Puerto Rico.

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PCL Ratios

(Total PCL as a % of Average Net Loans & Acceptances)	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16
Canadian Banking					
Retail	0.26	0.26	0.28	0.30	0.30
Commercial	0.08	0.15	0.14	0.14	0.20
Total	**0.23**	**0.24**	**0.26**	**0.28**	**0.29**
Total - Excluding net acquisition benefit	***0.23***	***0.24***	***0.28***	***0.30***	***0.31***
International Banking					
Retail (1)	2.37	2.18	2.09	2.09	2.13
Commercial (1)	0.26	0.26	0.28	0.97	0.47
Total	**1.27**	**1.17**	**1.14**	**1.50**	**1.26**
Total - Excluding net acquisition benefit	***1.29***	***1.24***	***1.23***	***1.63***	***1.39***
Global Banking and Markets	**0.08**	**0.14**	**0.27**	**0.57**	**0.19**
All Bank	**0.42**	**0.42 (2)**	**0.45**	**0.59 (3)**	**0.47**

(1) Colombia small business portfolio reclassed to Retail from Commercial – prior periods have been restated
(2) Excludes collective allowance increase; including collective allowance increase, All Bank PCL ratio was 0.47
(3) Excludes collective allowance increase; including collective allowance increase, All Bank PCL ratio was 0.64

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Energy Exposures[1]

Sector	Amount Outstanding (in $B)	% Outstanding	PCLs (in $M) Q1/15 – Q3/16	Cumulative PCL ratio[2]
Midstream	$4.1	25%	($2)	0%
Downstream	$2.1	13%	$2	0.1%
E&P	$8.3	52%	$261	2.8%
Services	$1.6	10%	$53	2.8%
Total Drawn	**$16.1**	**100%**	**$314**	**1.9%**

- **Drawn corporate energy exposure declined $0.2B to $16.1B**
  - Approximately 52% investment grade
- **Undrawn commitments of $11.9B, up $0.5B**
  - Approximately 69% investment grade
- **Focus on select non-investment grade E&P and Services accounts**
  - Approximately two-thirds of focus accounts have issued debt ranking below the Bank's senior position

(1) Exposures relate to loans and acceptances outstanding as of July 31, 2016 and to undrawn commitments attributed/related to those drawn loans and acceptances.

(2) Cumulative PCL ratio by sector is calculated as total PCLs over the period Q1/15 – Q3/16 divided by the average quarterly exposure over the period Q1/15 – Q3/16.

Appendix

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Diluted EPS Reconciliation

$ per share	Q3/16
Reported Diluted EPS	$1.54
Add: Amortization of Intangibles	$0.01
Adjusted Diluted EPS	$1.55

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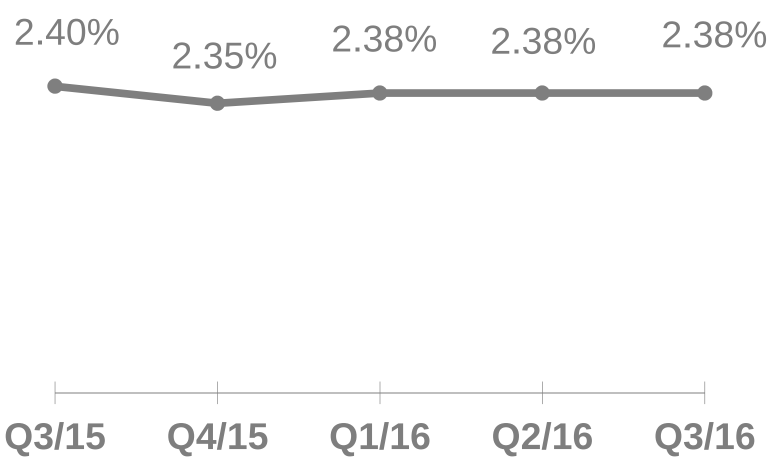
Core Banking Margin

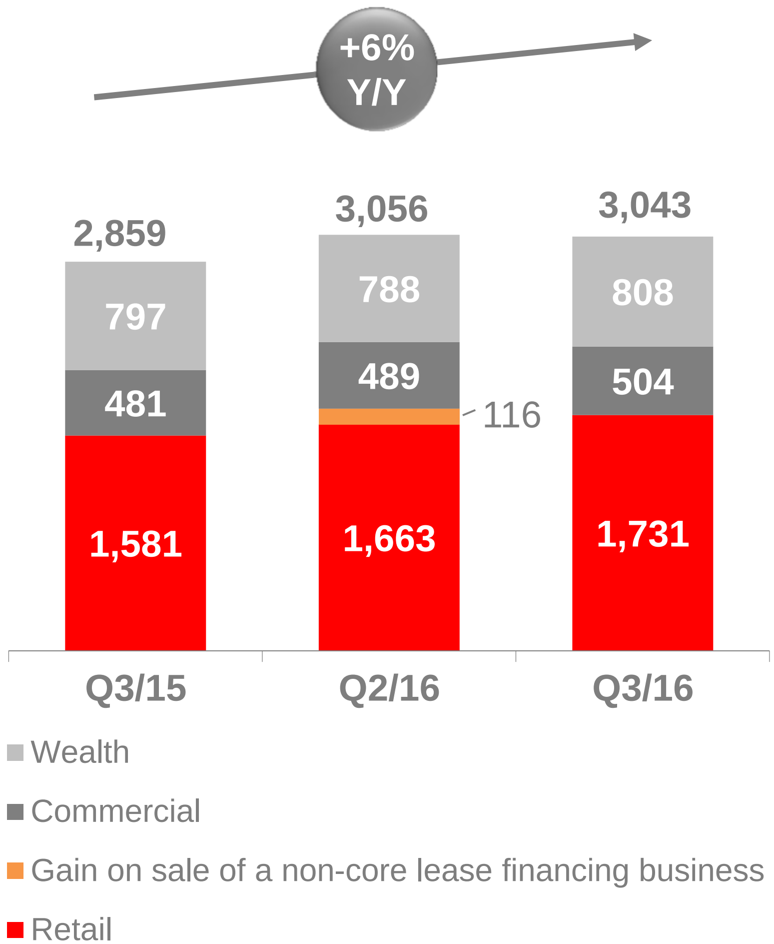


Year-over-year

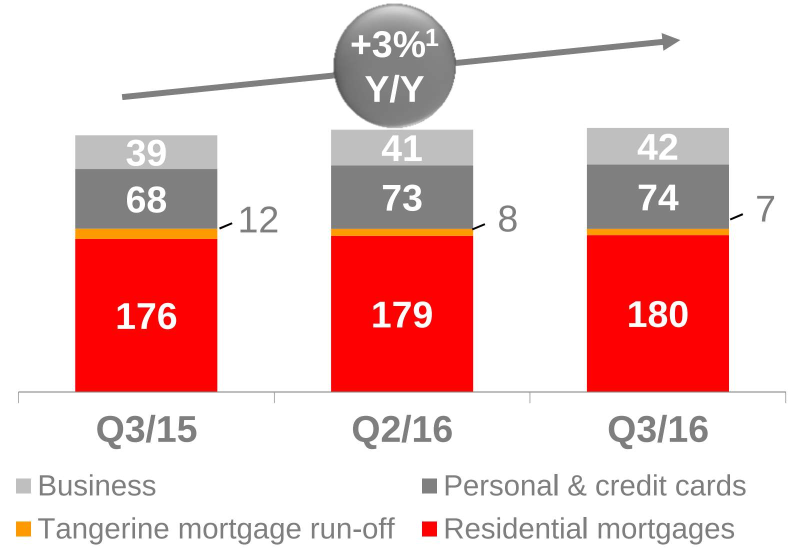
- Higher margins in Canadian Banking, Global Banking and Markets, and International Banking were more than offset by lower contributions from asset/liability activities, including the impact of higher volumes of lower yielding investment securities

Canadian Banking – Revenue & Volume Growth

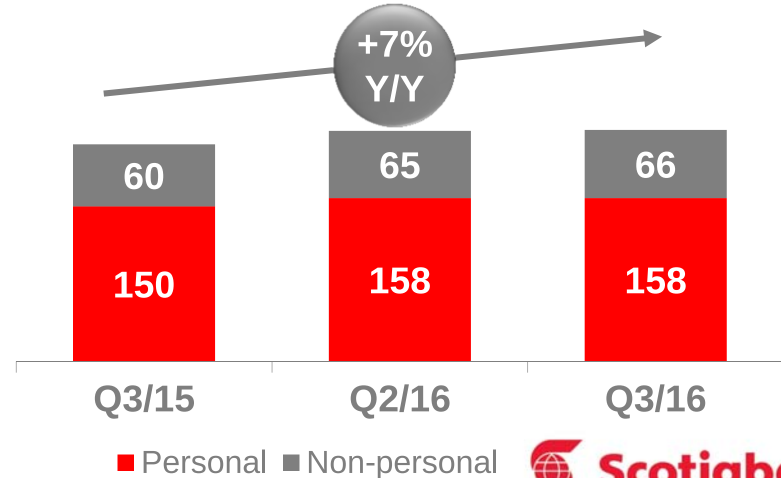
Revenues (TEB) ($ millions)



Average Loans & Acceptances ($ billions)

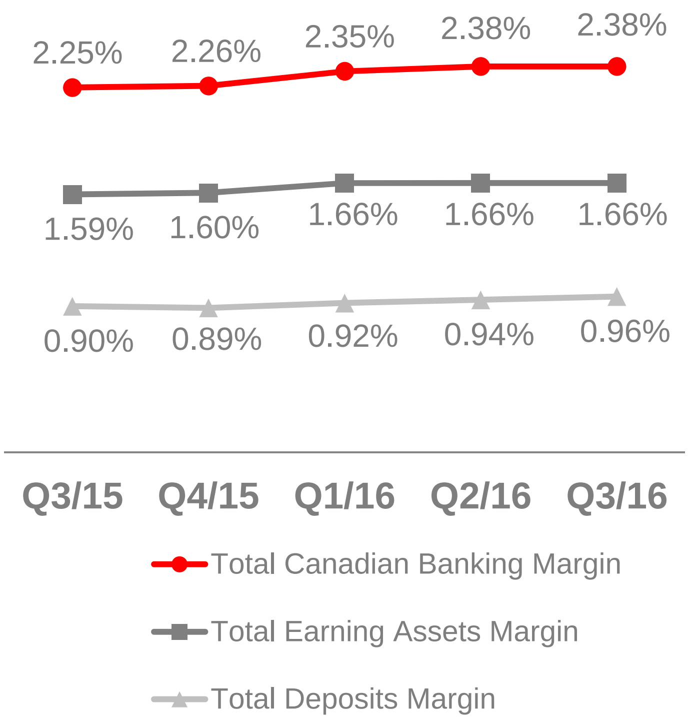


Average Deposits ($ billions)



(1) Excluding Tangerine run-off portfolio, loans & acceptances increased 5% year over year

Canadian Banking – Net Interest Margin



Year-over-Year

- Net Interest Margin was up 13 bps, driven primarily from higher earning asset and deposit margin. The positive impact from acquisitions was 6 bps.

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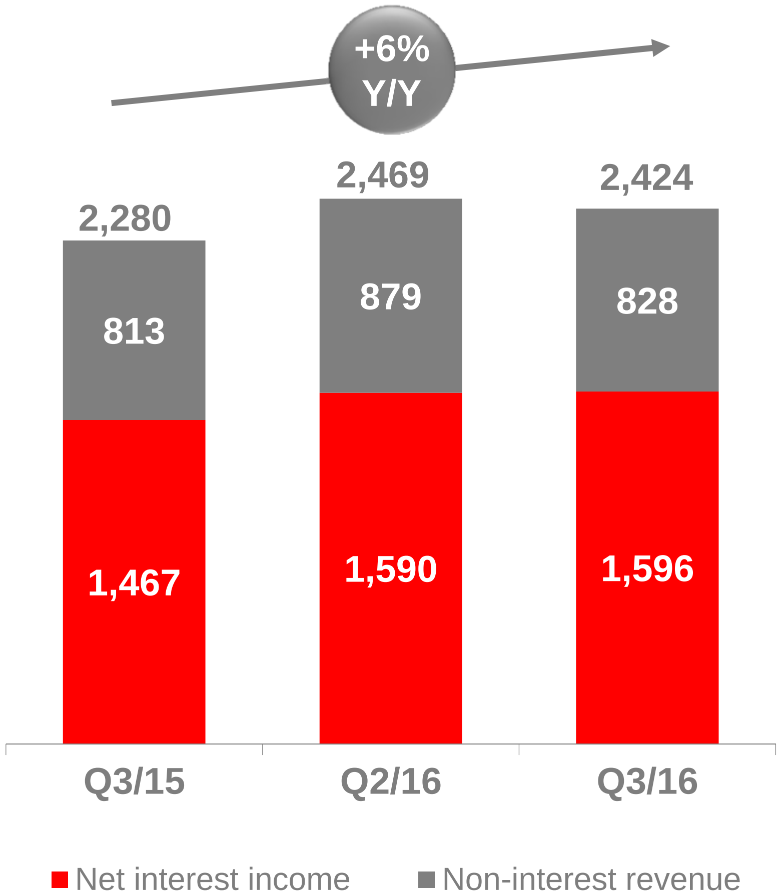
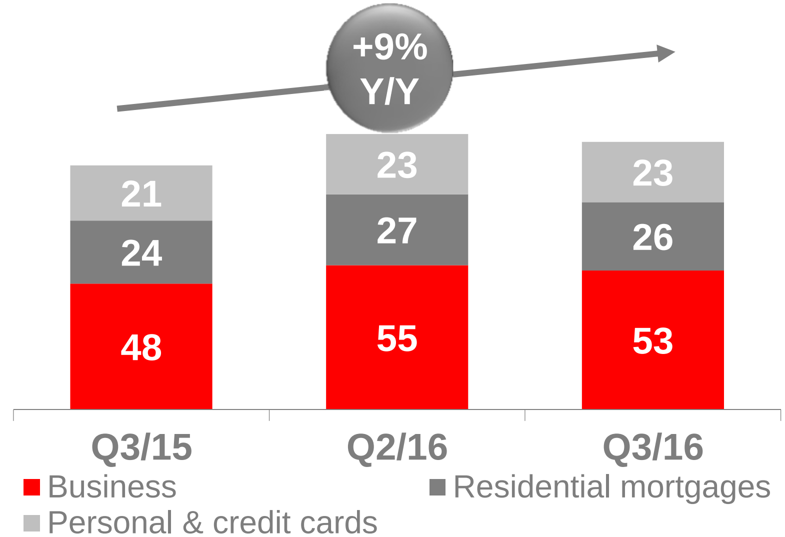
International Banking – Revenue & Volume Growth

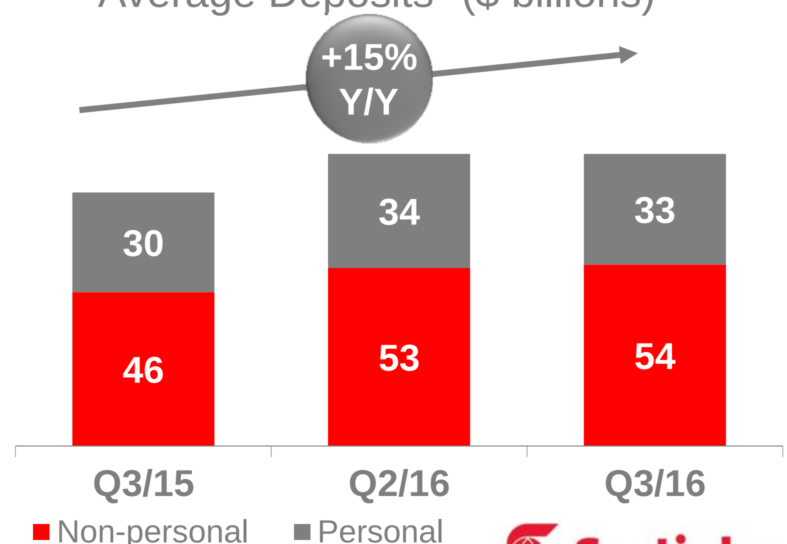
Revenues (TEB) ($ millions)



Average Loans & Acceptances[1] ($ billions)



Average Deposits[2] ($ billions)



(1) Colombia small business portfolio reclassed to Retail from Commercial commencing in Q1/16 – prior periods have been restated

(2) Includes deposits from banks

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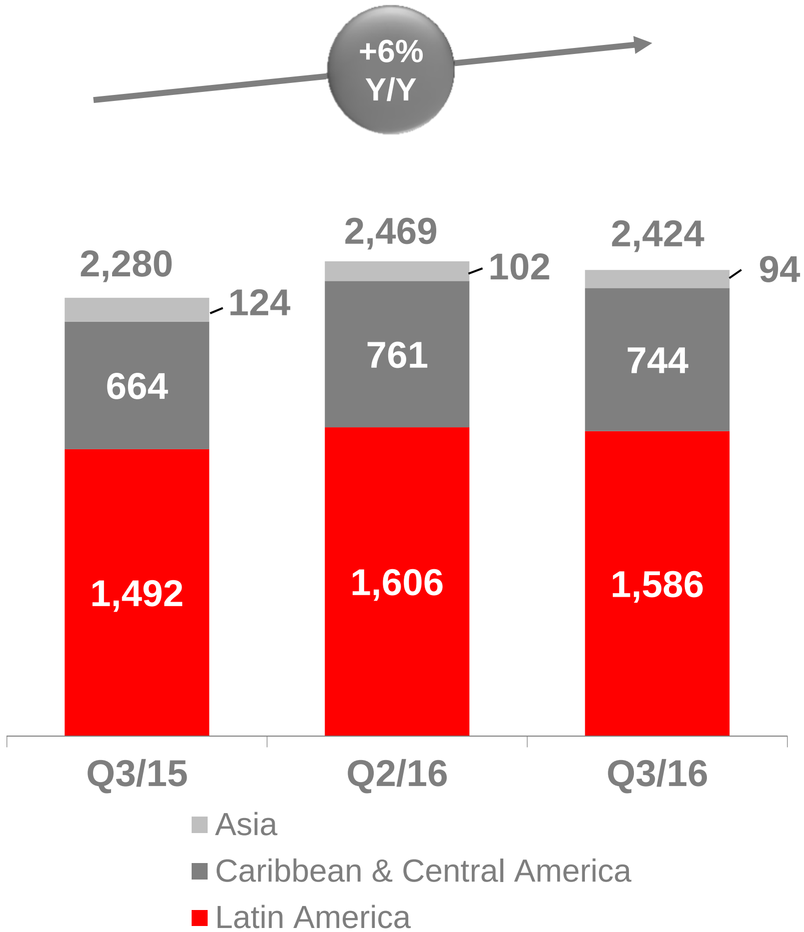
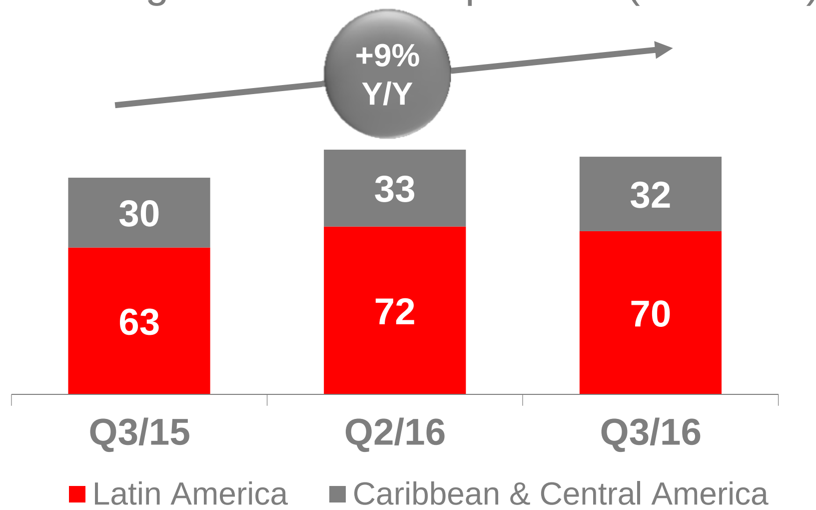
International Banking – Regional Growth

Revenues (TEB) ($ millions)



Average Loans & Acceptances ($ billions)



Constant FX Loan Volumes[1] Y/Y	Retail	Commercial[2]	Total
Latin America	15%	13%	14%
C&CA	7%	2%	5%
Total[3]	12%	10%	11%

(1) Colombia small business portfolio reclassed to Retail from Commercial commencing in Q1/16 – prior periods have been restated
(2) Excludes bankers acceptances
(3) Excluding impact of acquisitions - Discount (Uruguay), Costa Rica and Panama - and at constant FX, retail, commercial and total bank volumes were up 10%, 9% and 10% respectively (2%, 0% and 1% for C&CA)

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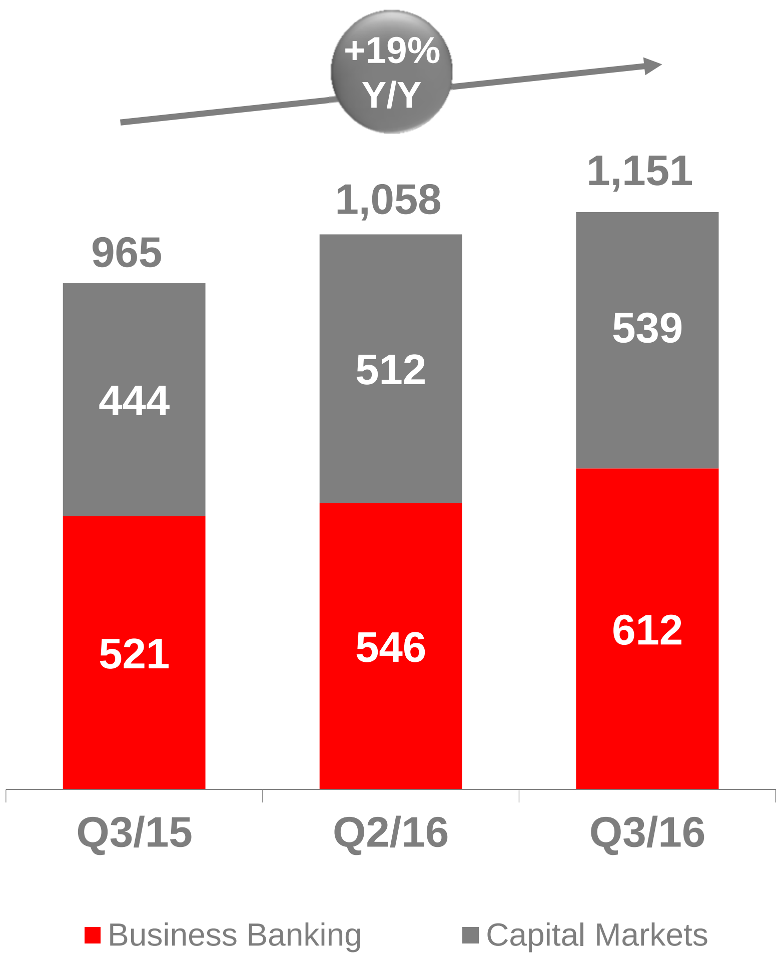
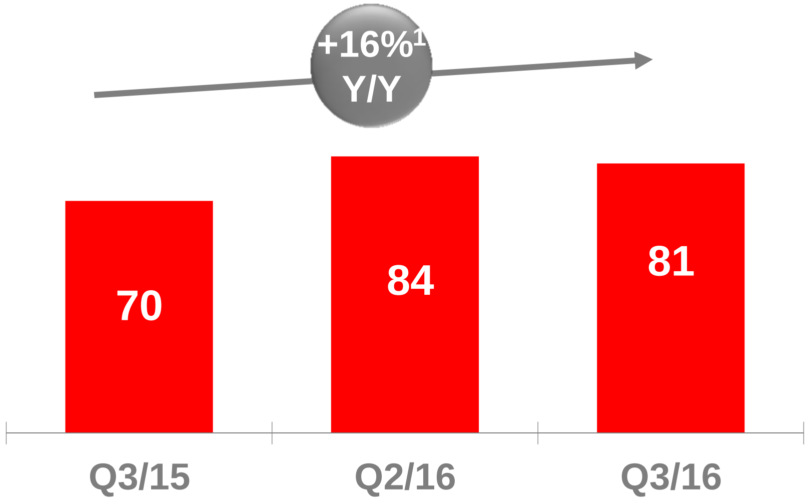
Global Banking and Markets – Revenue & Volume Growth

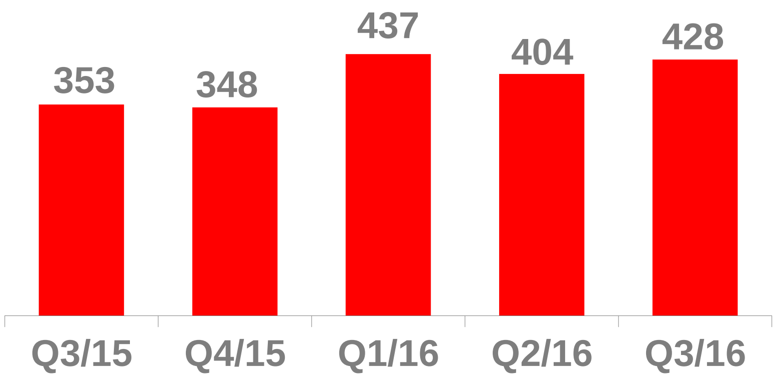
Revenues (TEB) ($ millions)



Average Loans & Acceptances ($ billions)



All-Bank Trading Revenue (TEB) ($ millions)



(1) 13% on a constant currency basis

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Economic Outlook in Key Markets

	Real GDP (Annual % Change)			
Country	**2000-14 Avg.**	**2015**	**2016F**	**2017F**
Mexico	2.3	2.5	2.4	2.8
Peru	5.4	3.2	3.8	3.6
Chile	4.3	2.1	1.7	2.0
Colombia	4.3	3.1	2.3	2.8
	2000-14 Avg.	**2015**	**2016F**	**2017F**
Canada	2.2	1.1	1.2	2.0
U.S.	1.9	2.6	1.5	2.2

Source: Scotia Economics, as of August 3, 2016

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Provisions for Credit Losses

($ millions)	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16
Canadian Retail	165	166	181	190	196
Canadian Commercial	8	14	13	14	21
Total Canadian Banking	**173**	**180**	**194**	**204**	**217**
Total - Excluding net acquisition benefit	***174***	***180***	***212***	***221***	***232***
International Retail	262	252	252	250	254
International Commercial	31	32	39	130	62
Total International Banking	**293**	**284**	**291**	**380**	**316**
Total - Excluding net acquisition benefit	***299***	***301***	***315***	***415***	***343***
Global Banking and Markets	**14**	**27**	**54**	**118**	**38**
All Bank	**480**	**491**	**539**	**702**	**571**
All Bank - Excluding net acquisition benefit	***487***	***508***	***581***	***754***	***613***
Increase in Collective Allowance	**0**	**60**	**0**	**50**	**0**
All Bank	**480**	**551**	**539**	**752**	**571**
PCL ratio (bps) – Total PCLs as a % of Average Net Loans & Acceptances					
Excluding Collective Allowance	**42**	**42**	**45**	**59**	**47**
Including Collective Allowance	**42**	**47**	**45**	**64**	**47**

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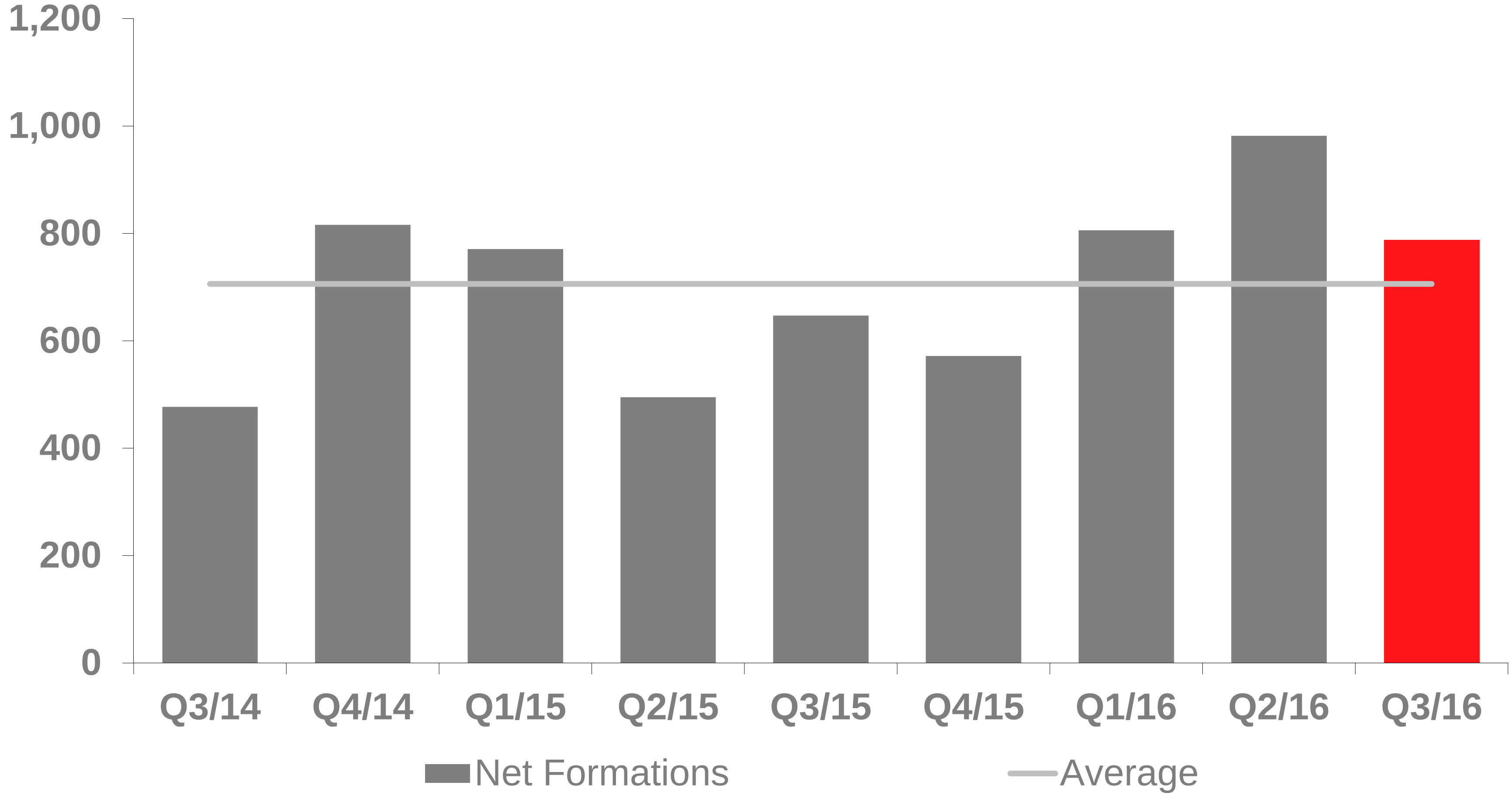
Net Formations of Impaired Loans[1]

($ millions)



(1) Excludes loans acquired under the Federal Deposit Insurance Corporation (FDIC) guarantee related to the acquisition of R-G Premier Bank of Puerto Rico.

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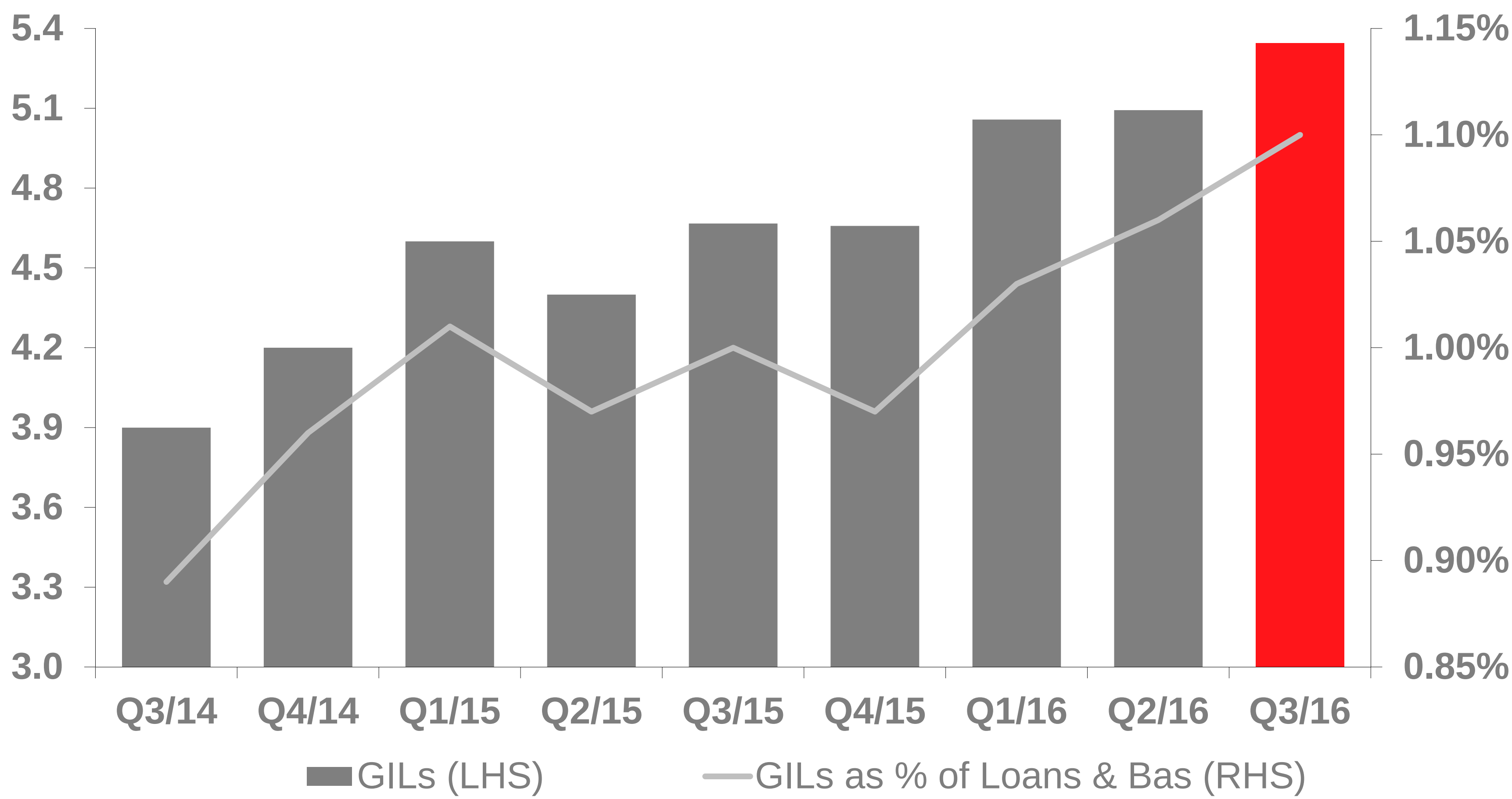
Gross Impaired Loans[1]

($ billions)



(1) Excludes loans acquired under the Federal Deposit Insurance Corporation (FDIC) guarantee related to the acquisition of R-G Premier Bank of Puerto Rico.

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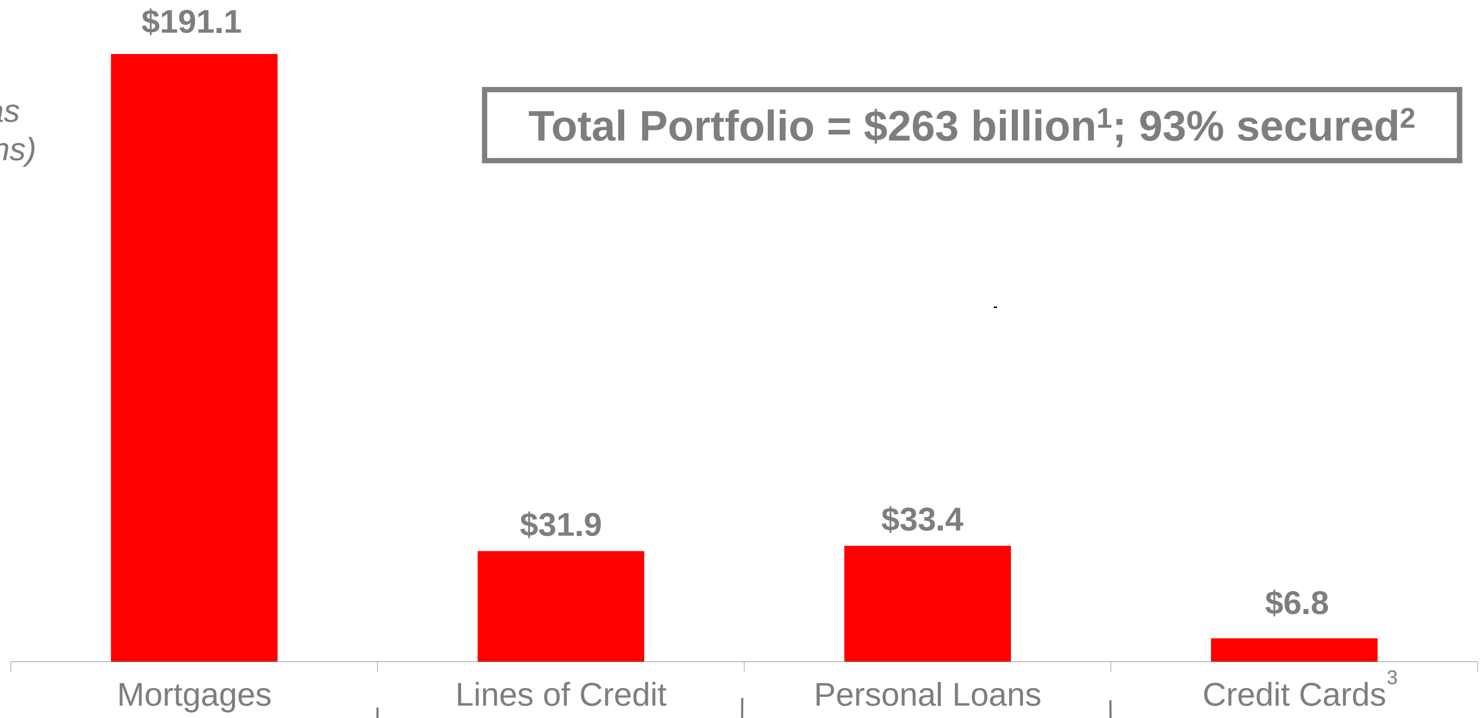
Canadian Banking Retail: Loans and Provisions

(Spot Balances as at Q3/16, $ billions)

Total Portfolio = $263 billion[1]; 93% secured[2]



	Mortgages		Lines of Credit		Personal Loans		Credit Cards[3]	
% secured	100%		61%		99%		4%	
PCL	**Q3/16**	**Q2/16**	**Q3/16**	**Q2/16**	**Q3/16**	**Q2/16**	**Q3/16**	**Q2/16**
$ millions	3	3	56	48	78	84	59	55
% of avg. net loans (bps)	1	1	70	63	95	106	346	338

(1) Includes Tangerine balances of $10 billion
(2) 81% secured by real estate; 12% secured by automotive
(3) Includes JP Morgan Chase acquisition of $1.2 billion

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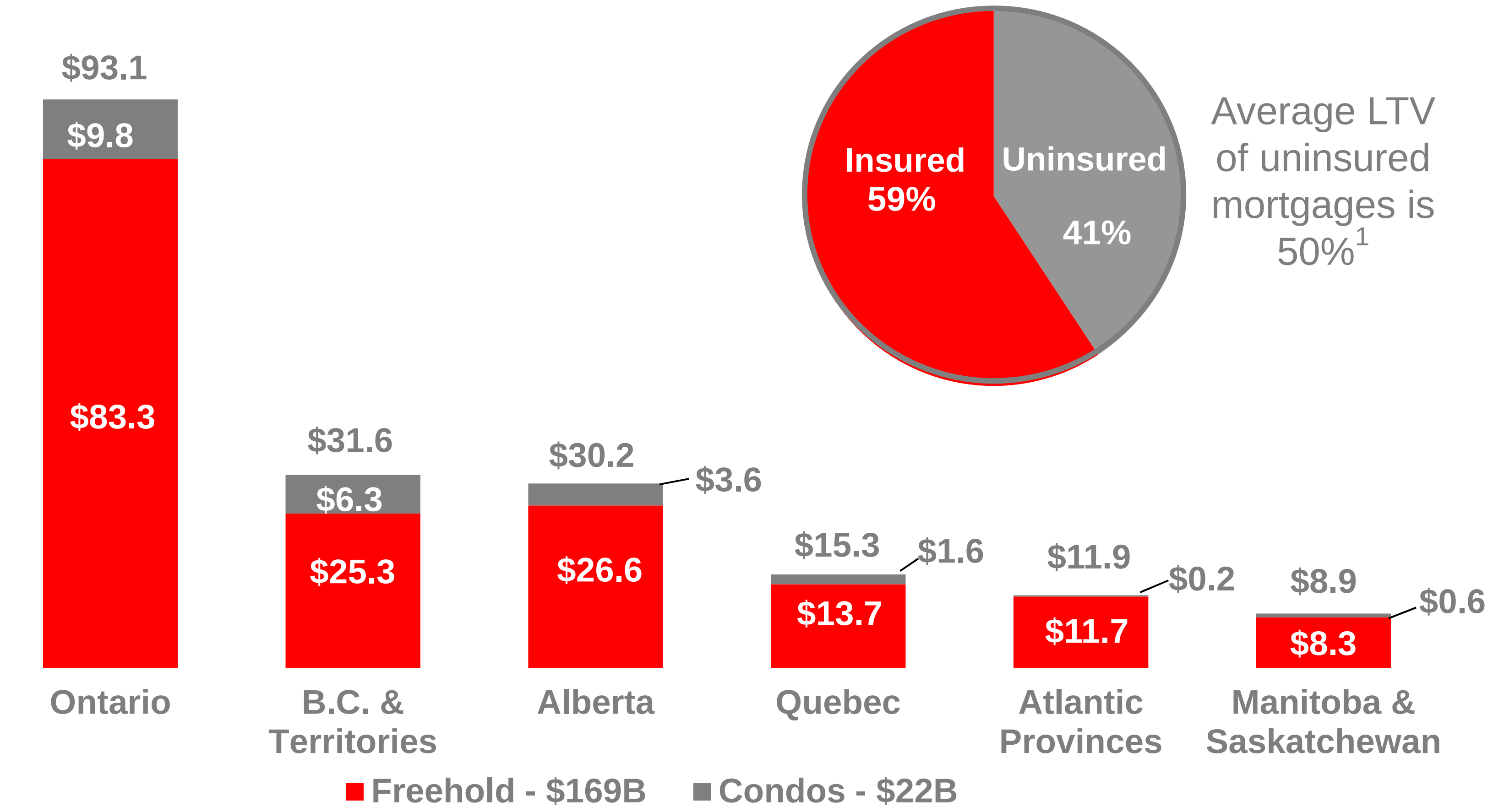
Canadian Residential Mortgage Portfolio

(Spot Balances as at Q3/16, $ billions)



Total Portfolio: $191 billion

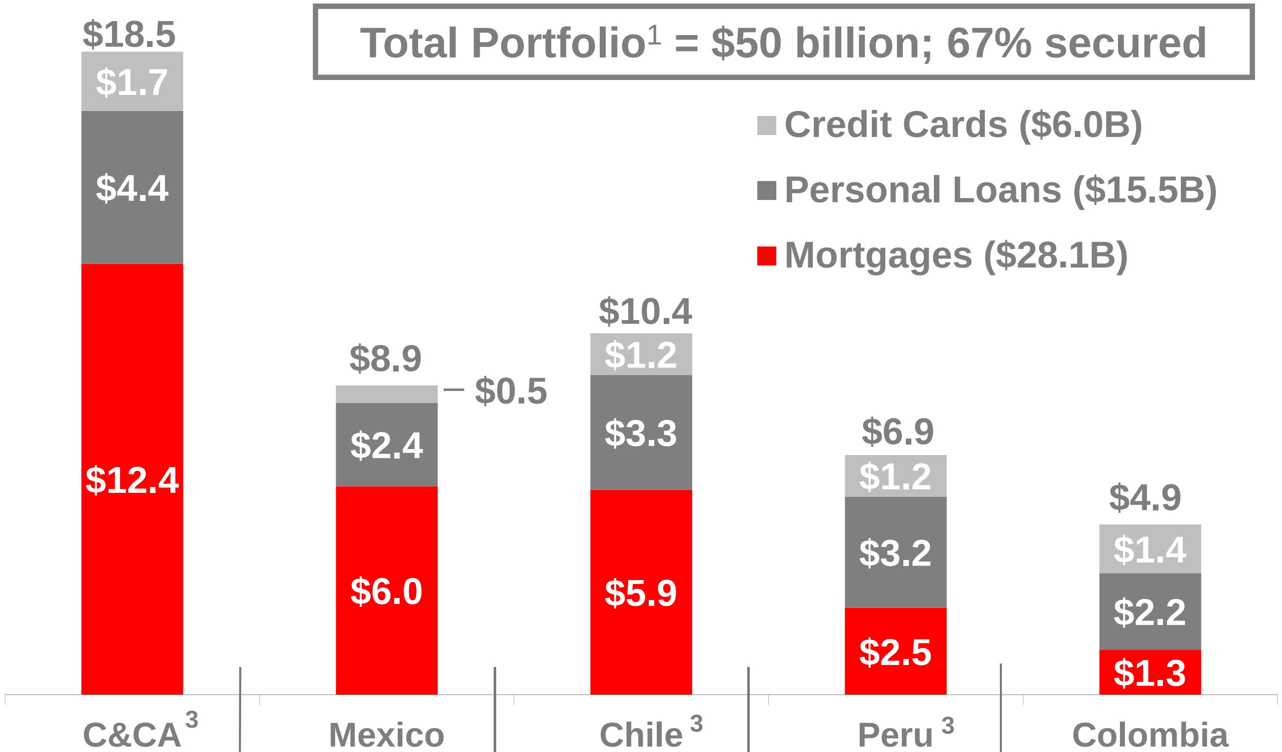
Average LTV of uninsured mortgages is 50%[1]

(1) LTV calculated based on the total outstanding balance secured by the property. Property values indexed using Teranet HPI data.
(2) Some figures on bar chart may not add due to rounding.

International Retail Loans and Provisions

(Spot Balances as at Q3/16, $ billions[1])

Total Portfolio[1] = $50 billion; 67% secured



PCL[2]	C&CA[3] Q3/16	C&CA[3] Q2/16	Mexico Q3/16	Mexico Q2/16	Chile[3] Q3/16	Chile[3] Q2/16	Peru[3] Q3/16	Peru[3] Q2/16	Colombia Q3/16	Colombia Q2/16
$ millions	52	42	42	49	24	22	72	71	54	56
% of avg. net loans (bps)	115	95	197	221	101	96	445	440	456	476

(1) Total Portfolio includes other smaller portfolios
(2) Excludes Uruguay PCLs of approximately $10 million
(3) Includes the benefits from Cencosud and Citibank net acquisition benefits. Excluding the net acquisition benefits, C&CA's ratio would be 134 bps for Q3/16 and 133 bps for Q2/16, Chile's ratio would be 151 bps for Q3/16 and 152 bps for Q2/16 and Peru's ratio would be 487 bps for Q3/16 and 457 bps for Q2/16

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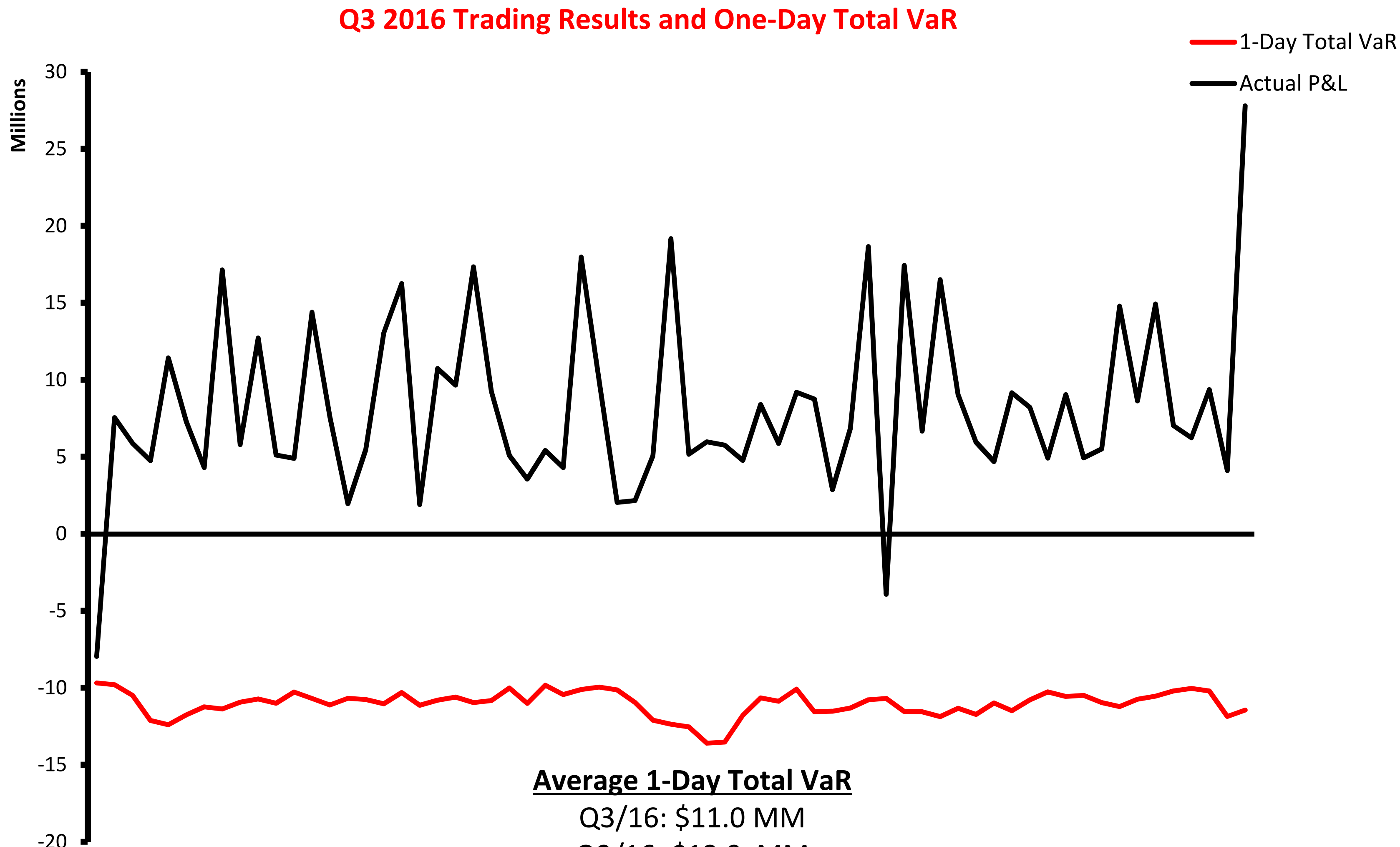
Q3 2016 Trading Results and One-Day Total VaR



Average 1-Day Total VaR

Q3/16: $11.0 MM

Q2/16: $13.9 MM

Q3/15: $10.5 MM

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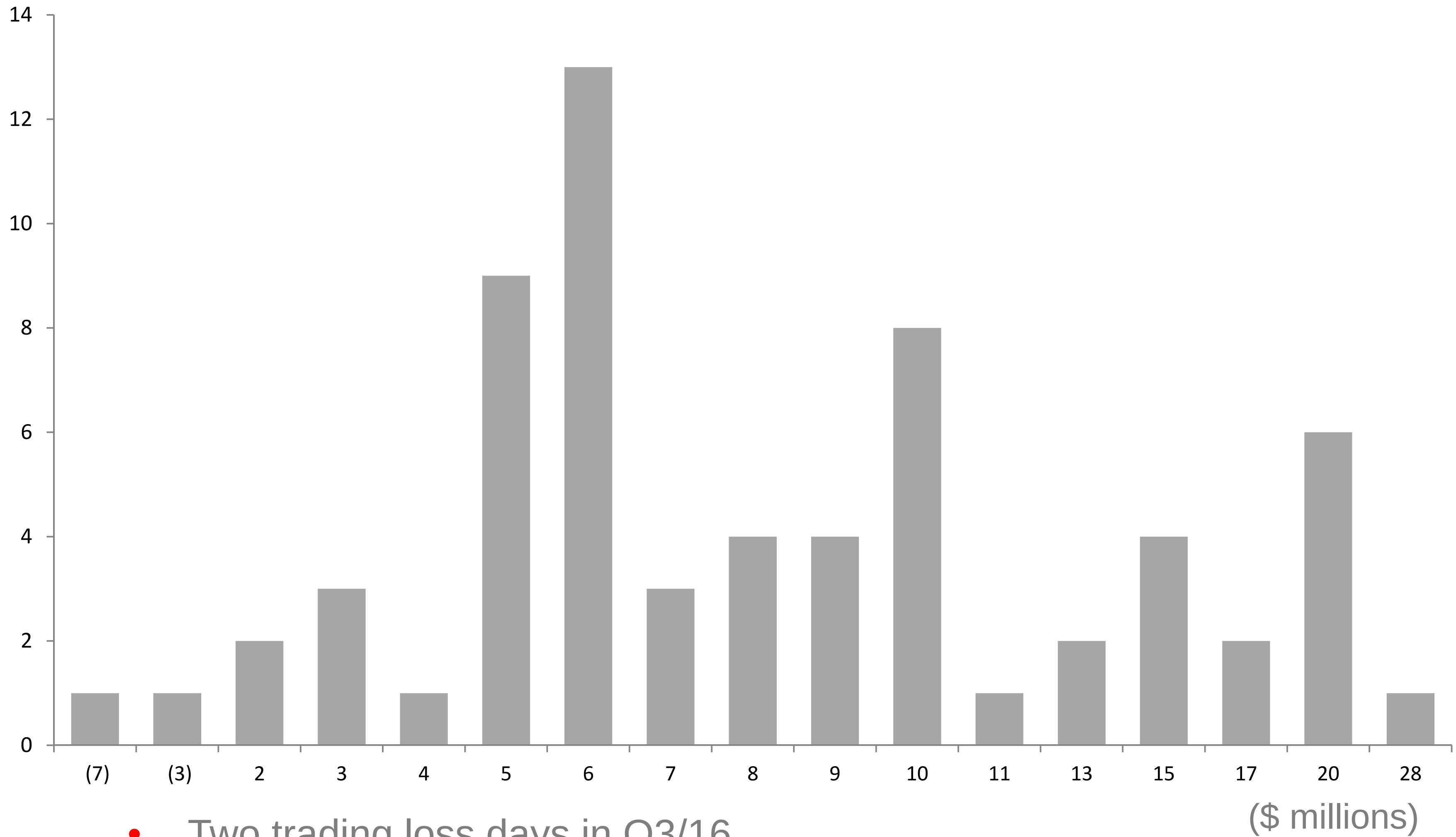
Q3 2016 Trading Results and One-Day Total VaR



- Two trading loss days in Q3/16

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FX Movements versus Canadian Dollar

Currency	Q3/16	Q2/16	Q3/15	Canadian (Appreciation) / Depreciation Q / Q	Canadian (Appreciation) / Depreciation Y / Y
Spot					
U.S. Dollar	0.766	0.797	0.765	3.9%	-0.2%
Mexican Peso	14.36	13.71	12.32	-4.7%	-16.5%
Peruvian Sol	2.568	2.608	2.437	1.5%	-5.4%
Colombian Peso	2,351	2,273	2,191	-3.4%	-7.3%
Chilean Peso	501.7	526.2	515.9	4.7%	2.7%
Average					
U.S. Dollar	0.772	0.755	0.803	-2.3%	3.9%
Mexican Peso	14.24	13.46	12.50	-5.8%	-14.0%
Peruvian Sol	2.559	2.565	2.539	0.2%	-0.8%
Colombian Peso	2,298	2,376	2,071	3.3%	-11.0%
Chilean Peso	519.7	515.2	505.6	-0.9%	-2.8%

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