Investor Presentation

FIRST QUARTER 2017

February 28, 2017

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 2016 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 2016 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 of the Bank's 2016 Annual Report. Material economic assumptions underlying the forward-looking statements contained in this document are set out in the 2016 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.

Scotiabank®

Overview

Brian Porter

President & Chief Executive Officer

Scotiabank®

Q1 2017 Overview

- **Strong start to the year**
  - Net income of $2.0 billion
  - Diluted EPS of $1.57 per share
  - ROE of 14.3%
- **Revenue growth of 8% year-over-year**
- **Positive operating leverage of 4.5%**
- **Capital position remains strong at 11.3%**
- **Quarterly dividend increased by 2 cents to $0.76 per share**

Scotiabank®

Digital Vision: medium term

- **Ambitious goals with established early momentum**
- **Important to set the right direction and move quickly**

CUSTOMER EXPERIENCE	DIGITAL ADOPTION BY OUR CUSTOMERS	DIGITAL RETAIL SALES	IN-BRANCH FINANCIAL TRANSACTIONS
A leader in our five key markets (measured by NPS)	At least **70%**	At least **50%**	Less than **10%**

WILL IMPROVE ALL-BANK PRODUCTIVITY RATIO

Scotiabank®

Financial Review

Sean McGuckin

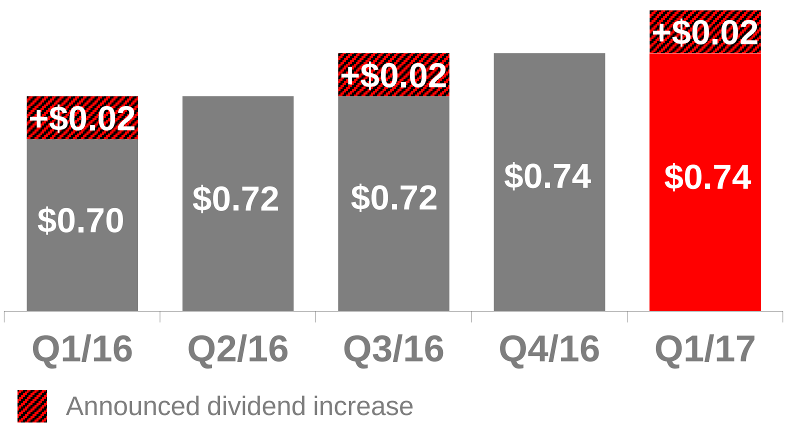
Chief Financial Officer

Scotiabank®

Q1 2017 Financial Performance

$ millions, except EPS	Q1/17	Q/Q	Y/Y
Net Income	$2,009	-	+11%
Diluted EPS	$1.57	-	+10%
Revenues	$6,868	+2%	+8%
Expenses	$3,689	+1%	+3%
Productivity Ratio	53.7%	-40bps	-240bps
Core Banking Margin	2.40%	-	+2bps

Dividends Per Common Share

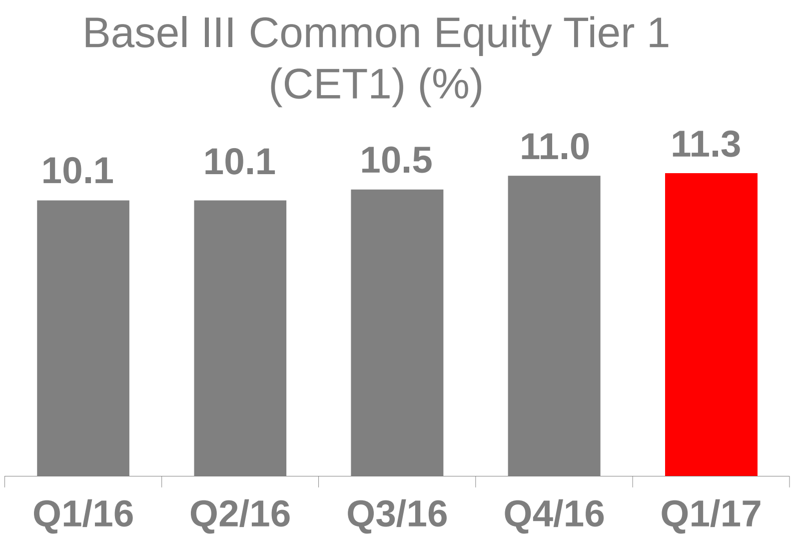


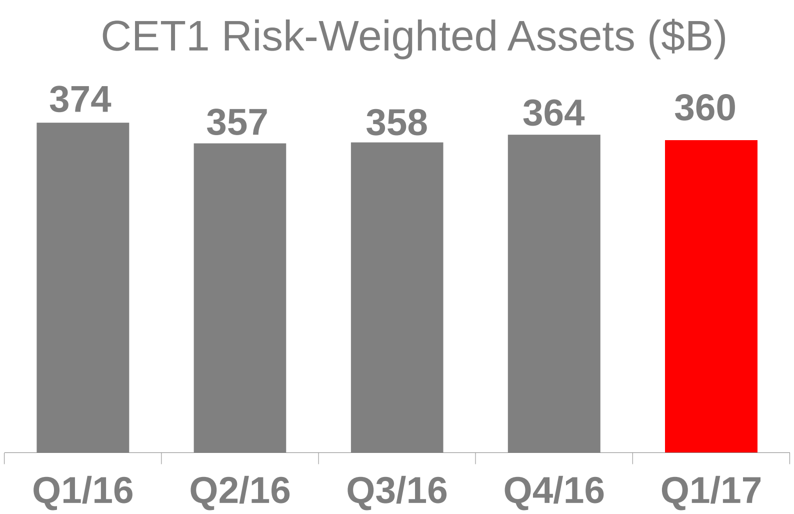
Year-over-Year Highlights

- **Net Income grew 11%**
- **Diluted EPS growth of 10%**
- **Revenue growth of 8%**
  - Higher asset growth and wider margins across all business lines, partly offset by lower contributions from asset/liability management activities
  - Increased banking, trading, underwriting and wealth management fees
  - Gains on sale of real estate were offset by lower net gain on investment securities
- **Expense growth of 3%**
  - Focused investment on business initiatives continues to drive higher digital and technology related expenses
  - Higher employee related costs
  - Partly offset by benefits from cost reduction initiatives and lower advertising and other business expenses
- **Operating leverage of +4.5%**

Scotiabank®

Capital – Strong Position





Highlights

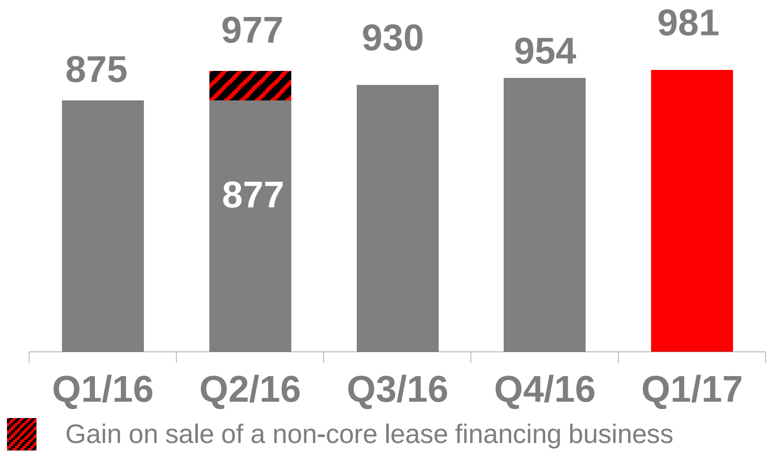
- **Strong internal capital generation and prudent management of asset growth**
- **Favourable impact of higher pension liability discount rates and higher pension plan asset returns**
- **Quarterly dividend of $0.76 per share, up 6% Y/Y**
- **CET1 risk-weighted assets decreased $4 billion Q/Q**
  - Primarily driven by impact of a stronger Canadian dollar on foreign currency denominated risk weighted assets
  - Partly offset by higher credit risk and operational risk weighted assets
- **Leverage ratio of 4.5%**

Capital position remains strong

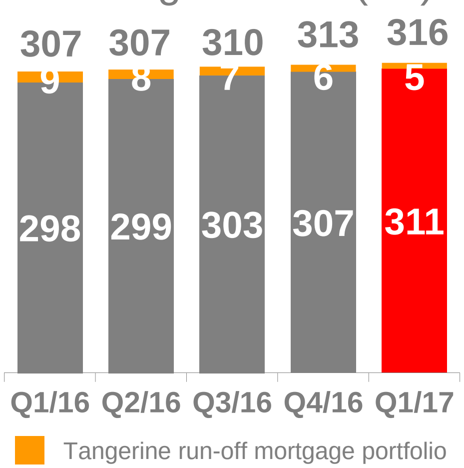
Scotiabank®

Canadian Banking

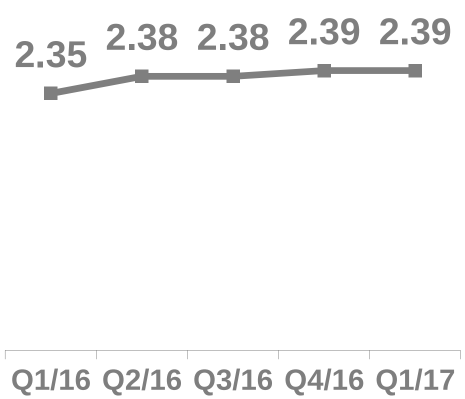
Net Income[1] ($MM)



Average Assets ($B)



Net Interest Margin (%)



(1) Attributable to equity holders of the Bank

Year-over-Year Highlights

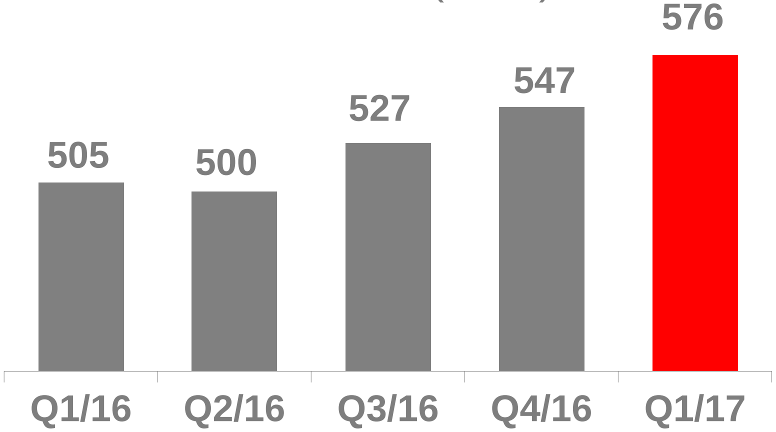
- **Net income up 12% or 7% excluding real estate gains**
- **Loan growth of 3%**
  - Excluding Tangerine run-off mortgages, up 4%
- **Deposits up 5%**
  - Retail savings deposits were up 12% and chequing was up 8%
- **NIM up 4 bps**
  - Margin expansion in deposits, higher yields on unsecured lending and the run-off of Tangerine mortgages
- **PCL ratio up 4 bps**
- **Expenses up 2%**
  - Higher digital and technology costs, advertising to support business growth and salary increases, partially offset by benefits realized from cost reduction initiatives
- **Operating leverage of +4.9%**

Solid volume growth and positive operating leverage

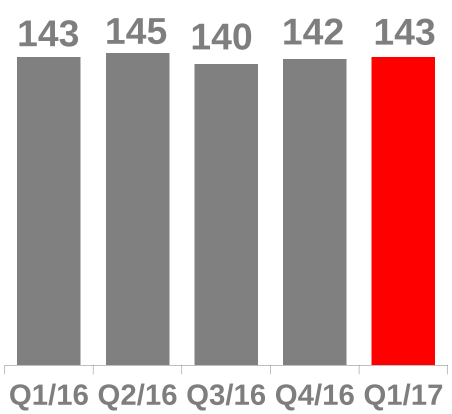
Scotiabank®

International Banking

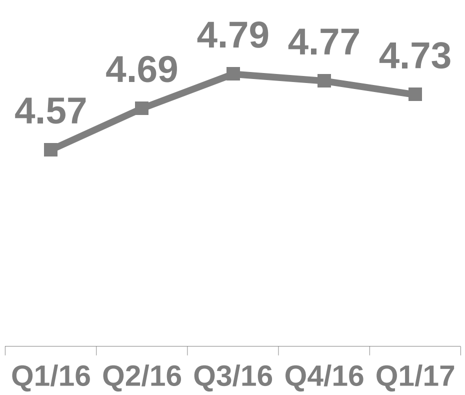
Net Income[1] ($MM)



Average Assets ($B)



Net Interest Margin (%)



(1) Attributable to equity holders of the Bank

(2) Adjusting for foreign currency translation – see page 5 of MD&A for additional details

Year-over-Year Highlights

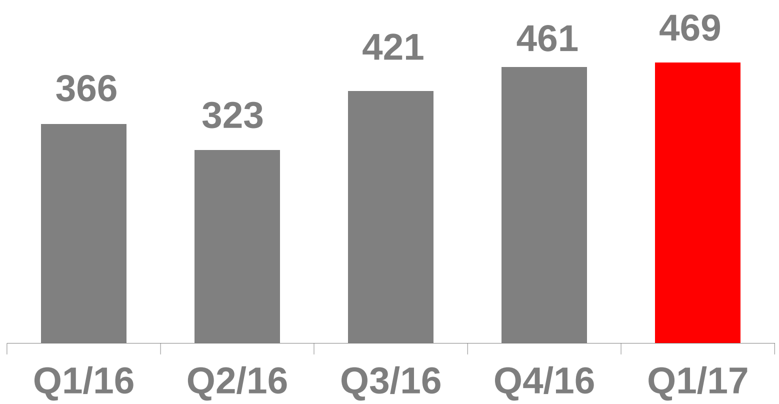
- **Net Income up 14% or 18%[2]**
  - Good retail loan and deposit growth
  - Strong net interest margin and fee growth and good expense control
  - Partly offset by impact of foreign currency translation
- **Loans flat and deposits up 5%**
  - Ex. foreign currency translation, loans up 5% (Retail up 9%) and deposits up 10%
- **NIM up 16 bps, driven by business mix, acquisitions, and re-pricing following recent rate increases**
- **PCL ratio increased 7 bps**
- **Expenses up 1% or 6%[2]**
  - Acquisitions, business volumes and inflationary increases
  - Partly offset by the impact of foreign currency translation and benefits from cost reduction initiatives
- **Operating leverage of +4.2%**

Margin expansion and positive operating leverage

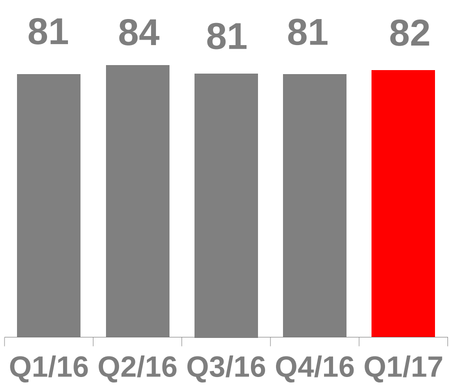
Scotiabank®

Global Banking and Markets

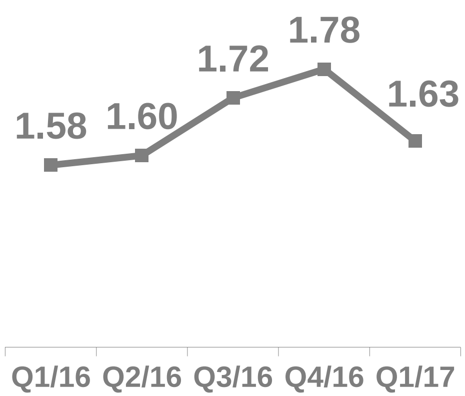
Net Income[1] ($MM)



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

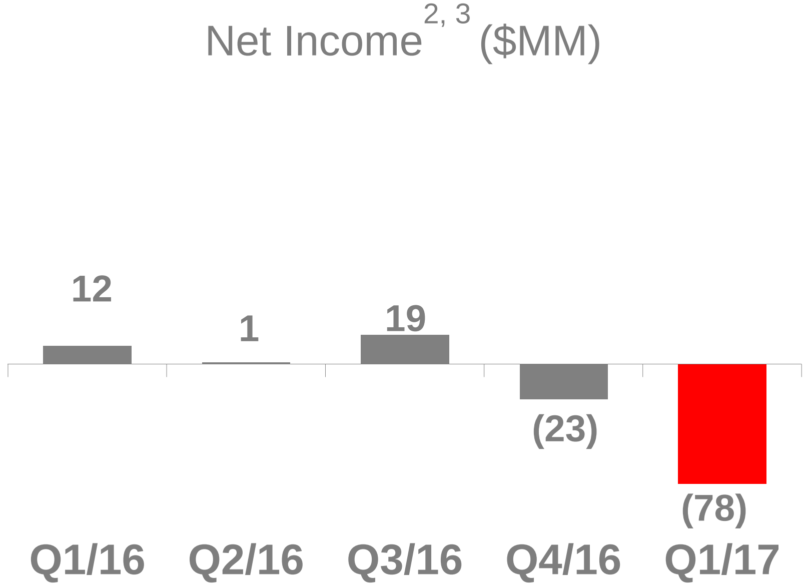
Year-over-Year Highlights

- **Net Income up 28%**
  - Higher contributions from Fixed Income and Canadian lending businesses, as well as lower PCLs
  - Partly offset by lower results in investment banking and the Asia lending business
- **Revenue up 16%**
- **PCL loss ratio improved by 23 bps, driven by lower provisions in the energy sector**
- **Expenses up 10%**
  - Higher performance based compensation, as well as higher technology and regulatory costs

Strong quarter, driven by higher customer activity

Scotiabank®

Other Segment[1]



Year-over-Year Highlights

- **Lower net gains on investment securities, the impact of foreign currency translation (including hedges) and higher expenses**

(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

Risk Review

Stephen Hart

Chief Risk Officer

Scotiabank®

Risk Review

- **Overall credit fundamentals remain within expectations**
- **PCL ratio – Credit performance remains stable at 45 basis points, unchanged from last quarter and prior year**
- **Gross impaired loans of $5.2 billion was down 3% Q/Q[1]**
  - Net impaired loan ratio was flat Q/Q at 0.49%
  - Net formations of $723 million was up from $645 million in Q4/16, driven by International Retail
- **Market risk – Average 1-day all-bank VaR of $12.0 million, up from $10.4 million in Q4/16**
  - No trading loss days in Q1/17

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

Scotiabank®

PCL Ratios

(Total PCL as a % of Average Net Loans & Acceptances)	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17
Canadian Banking					
Retail	0.28	0.30	0.30	0.31	0.32
Commercial	0.14	0.14	0.20	0.14	0.21
Total	**0.26**	**0.28**	**0.29**	**0.28**	**0.30**
Total - Excluding net acquisition benefit	***0.28***	***0.30***	***0.31***	***0.29***	***0.31***
International Banking					
Retail	2.09	2.09	2.13	2.01	2.10
Commercial	0.28	0.97	0.47	0.33	0.35
Total	**1.14**	**1.50**	**1.26**	**1.15**	**1.21**
Total - Excluding net acquisition benefit	***1.23***	***1.63***	***1.39***	***1.32***	***1.32***
Global Banking and Markets	**0.27**	**0.57**	**0.19**	**0.19**	**0.04**
All Bank	**0.45**	**0.59** [1]	**0.47**	**0.45**	**0.45**

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

Scotiabank®

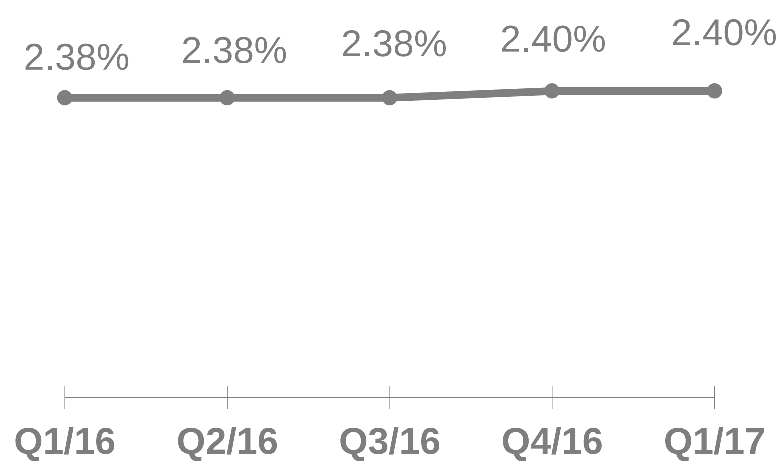
Appendix

Diluted EPS Reconciliation

$ per share	Q1/17
Reported Diluted EPS	$1.57
Add: Amortization of Intangibles	$0.01
Adjusted Diluted EPS	$1.58

Scotiabank®

Core Banking Margin

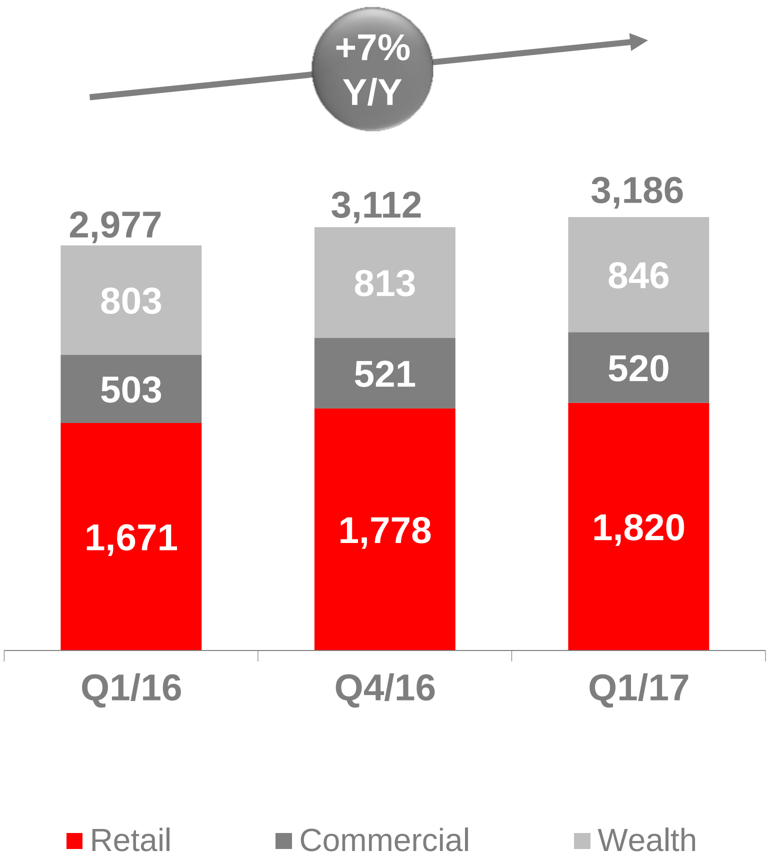


Year-over-year

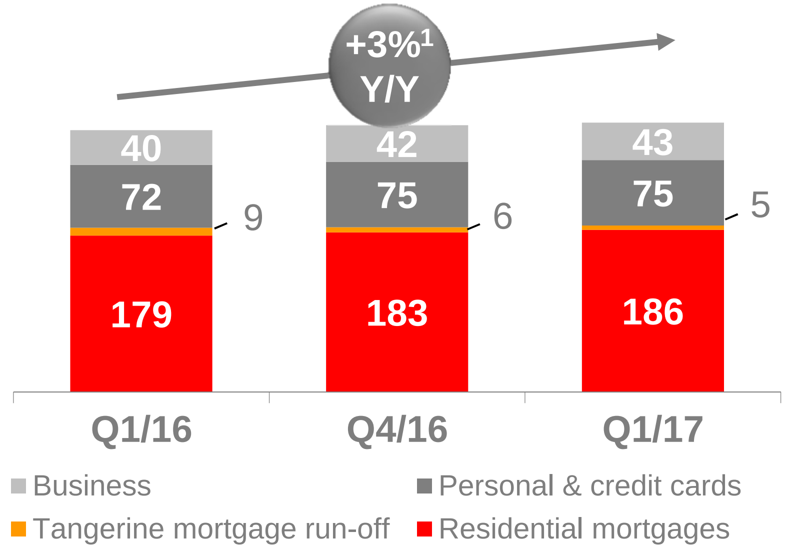
- Increase driven by wider margins across all business lines, partly offset by lower contributions from asset/liability management activities

Canadian Banking – Revenue & Volume Growth

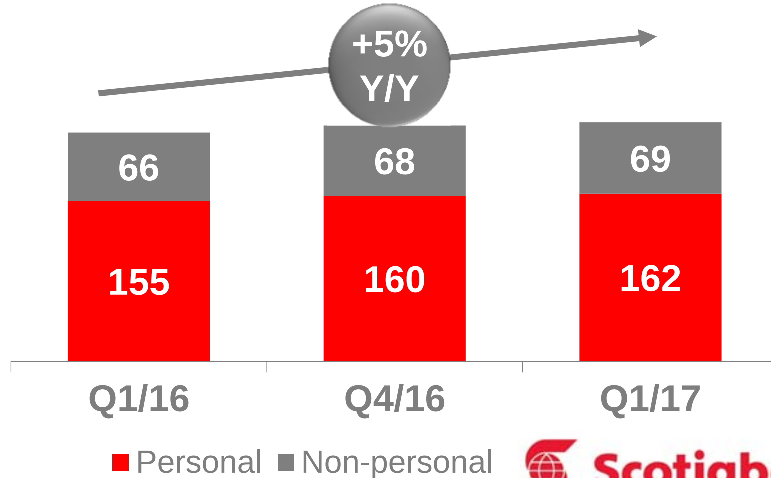
Revenues (TEB) ($ millions)



Average Loans & Acceptances ($ billions)



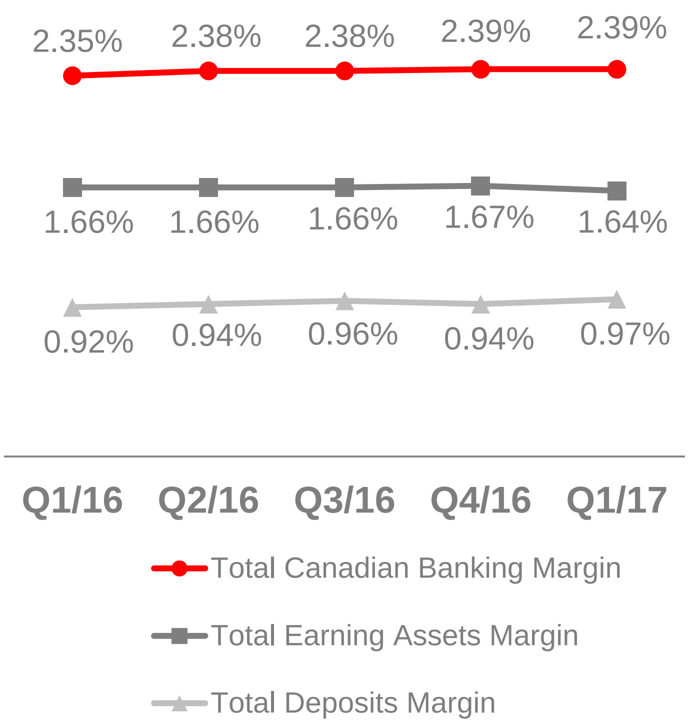
Average Deposits ($ billions)



(1) Excluding Tangerine run-off portfolio, loans & acceptances increased 4% year over year

Scotiabank®

Canadian Banking – Net Interest Margin



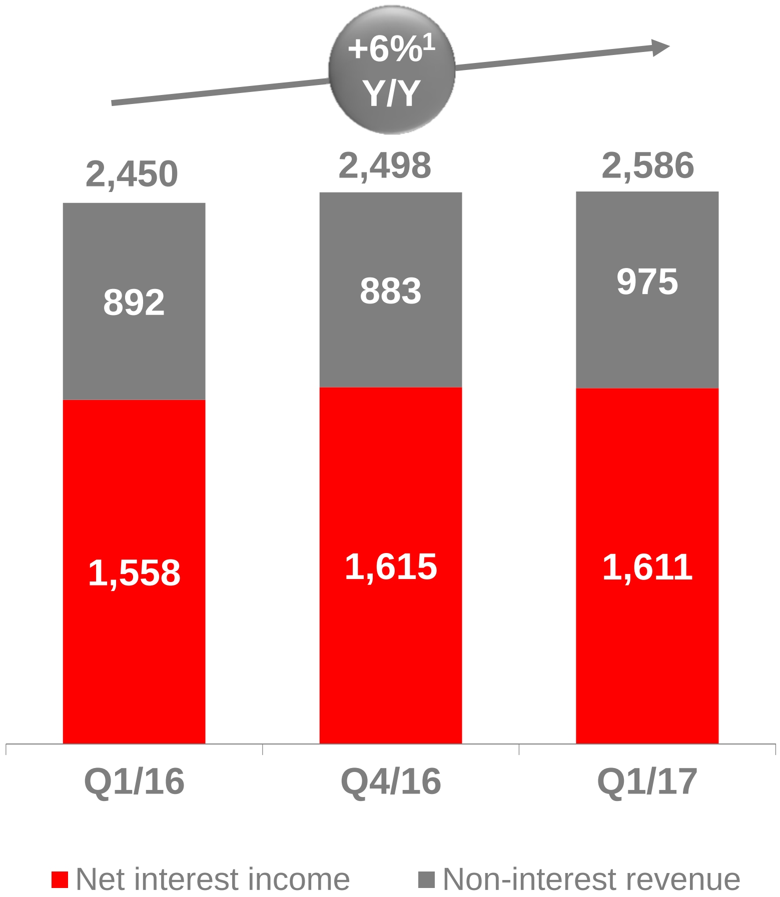
Year-over-Year

- Net Interest Margin was up 4 bps, driven by margin expansion in deposits, higher yields on unsecured lending and the run-off of Tangerine mortgages

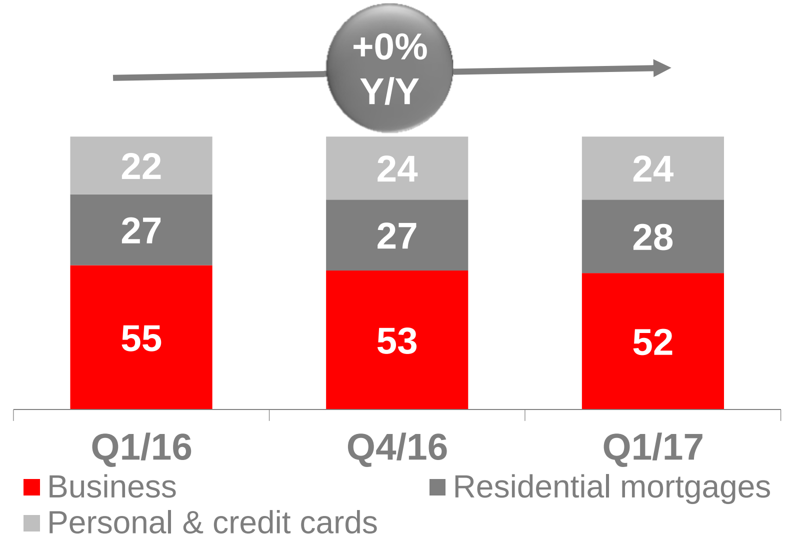
Scotiabank®

International Banking – Revenue & Volume Growth

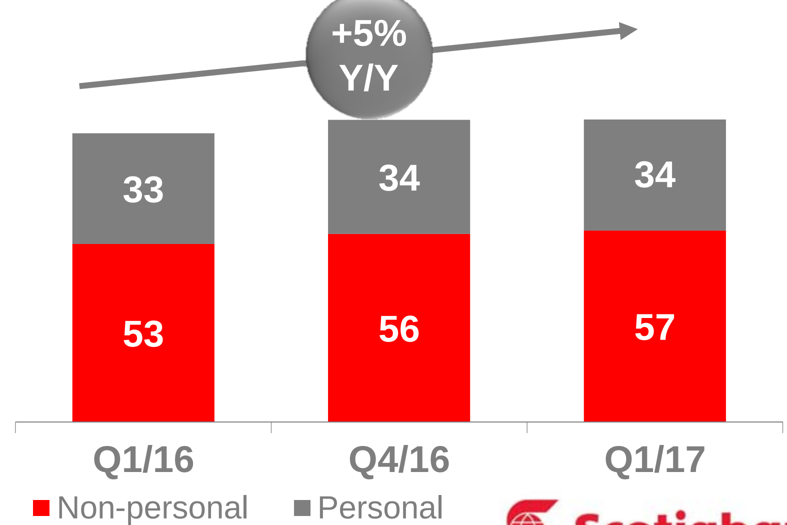
Revenues (TEB) ($ millions)



Average Loans & Acceptances ($ billions)



Average Deposits[2] ($ billions)

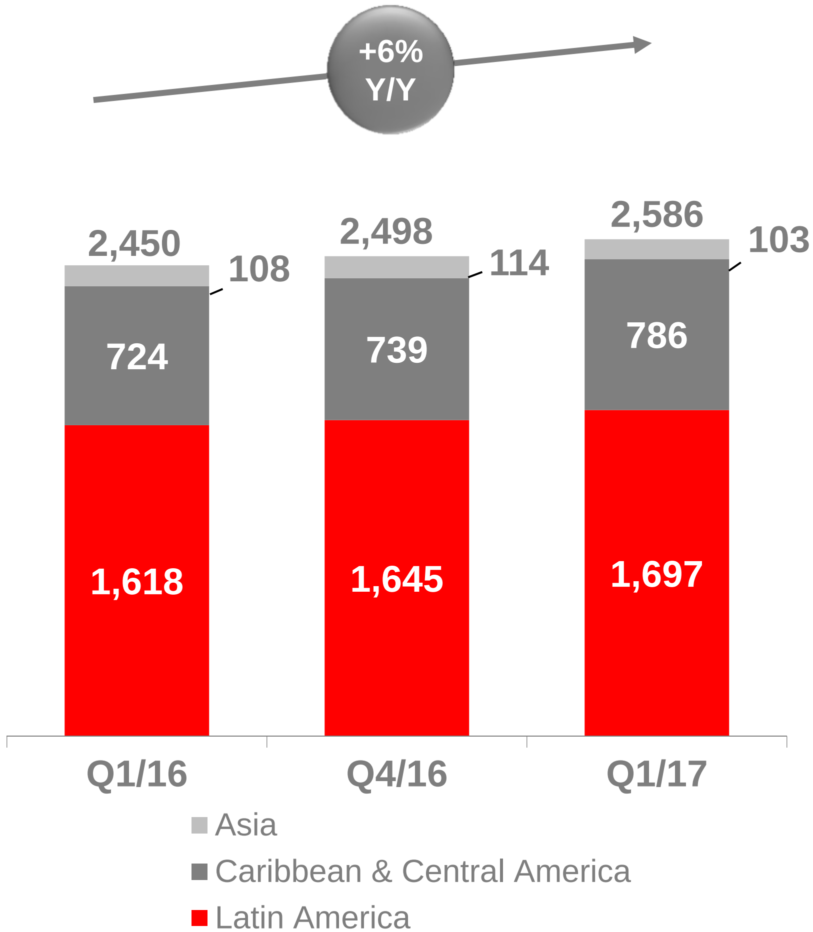


(1) Up 10% adjusting for unfavourable foreign currency translation
(2) Includes deposits from banks

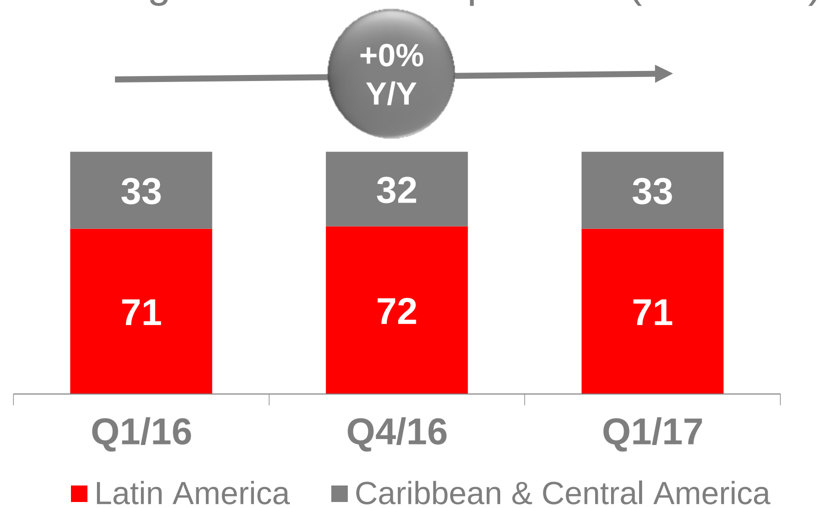
Scotiabank®

International Banking – Regional Growth

Revenues (TEB) ($ millions)



Average Loans & Acceptances ($ billions)



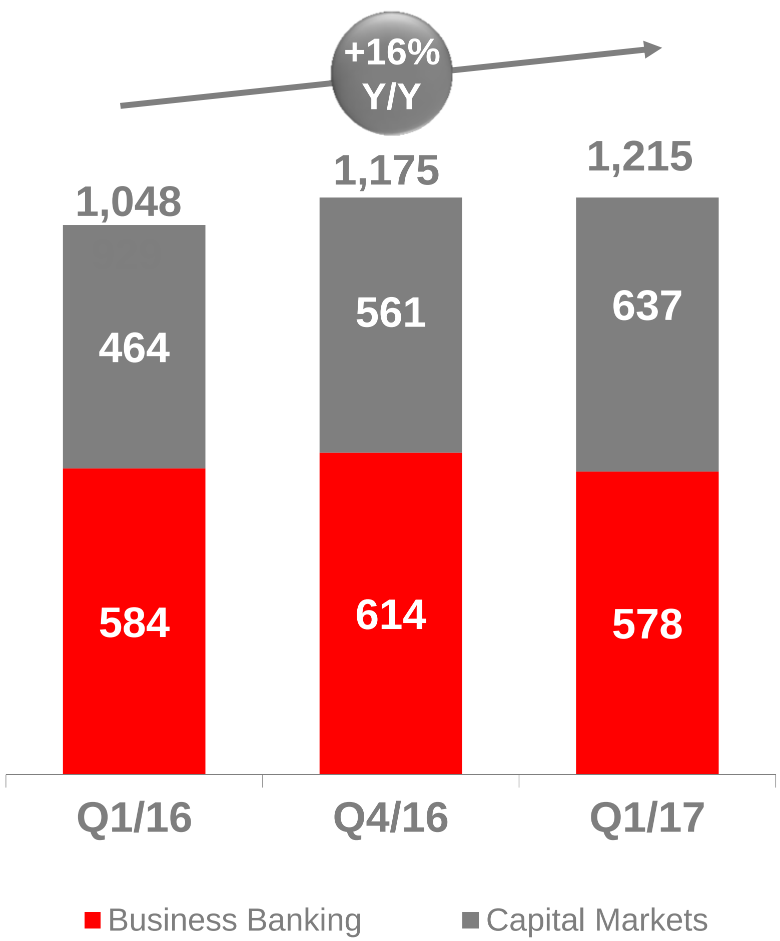
Constant FX Loan Volumes Y/Y	Retail	Commercial[1]	Total
Latin America	12%	1%	5%
C&CA[2]	6%	1%	4%
Total	9%	1%	5%

(1) Excludes bankers acceptances

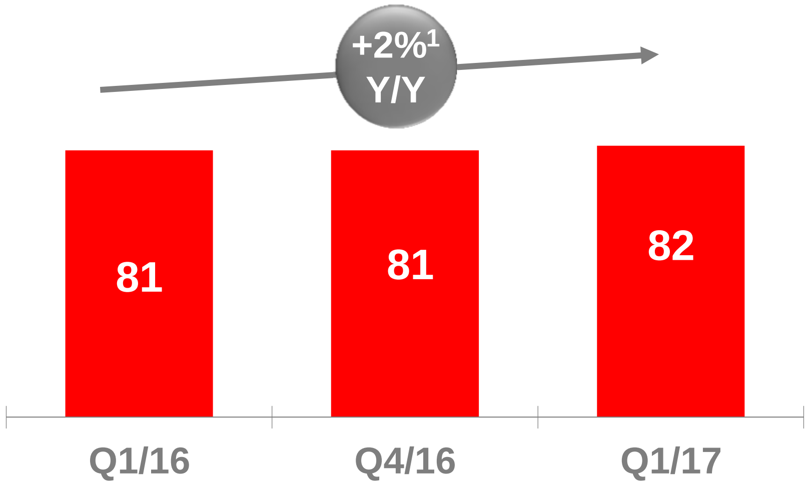
(2) Excluding impact of acquisitions - Citi Costa Rica and Panama - and at constant FX, retail and total International volumes were up 1% and 0% in C&CA

Global Banking and Markets – Revenue & Volume Growth

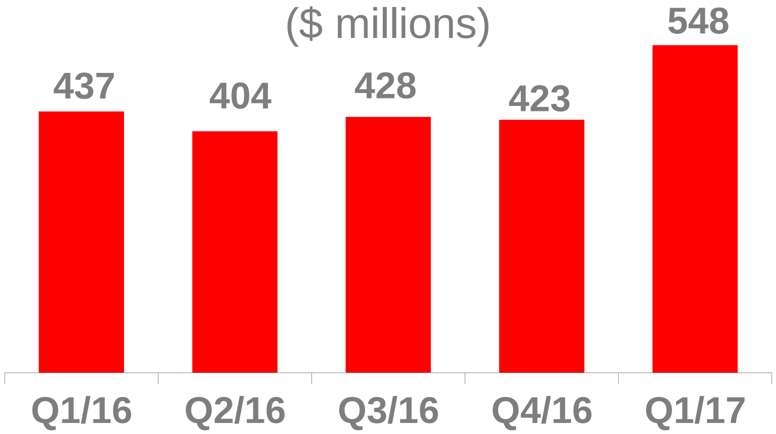
Revenues (TEB) ($ millions)



Average Loans & Acceptances ($ billions)



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



(1) 4.9% on a constant currency basis

Scotiabank®

Economic Outlook in Key Markets

Country	Real GDP (Annual % Change) 2000-15 Avg.	2016F	2017F	2018F
Mexico	2.4	2.1	1.5	2.1
Peru	5.3	3.8	3.8	4.2
Chile	4.3	1.5	2.0	2.5
Colombia	4.2	1.9	2.4	3.3
	2000-15 Avg.	**2016F**	**2017F**	**2018F**
Canada	2.2	1.4	2.0	2.0
U.S.	1.9	1.6	2.3	2.4

Source: Scotia Economics, as of January 17, 2017

Scotiabank®

Energy Exposures[1]

- **Committed to our guidance of a cumulative PCL ratio of less than 3%[2] since 2015**
  - Cumulative PCL ratio of 2.0% as of Q1/17[2]
  - The Bank has moved past the key issues in the sector
- **Drawn corporate energy exposure of $14.0 billion decreased 10% Q/Q**
  - Approximately 48% investment grade
- **Undrawn commitments of $10.7 billion, down $0.4 billion**
  - Approximately 64% 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 January 31, 2017 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 – Q1/17 divided by the average quarterly exposure over the period Q1/15 – Q1/17 .

Scotiabank®

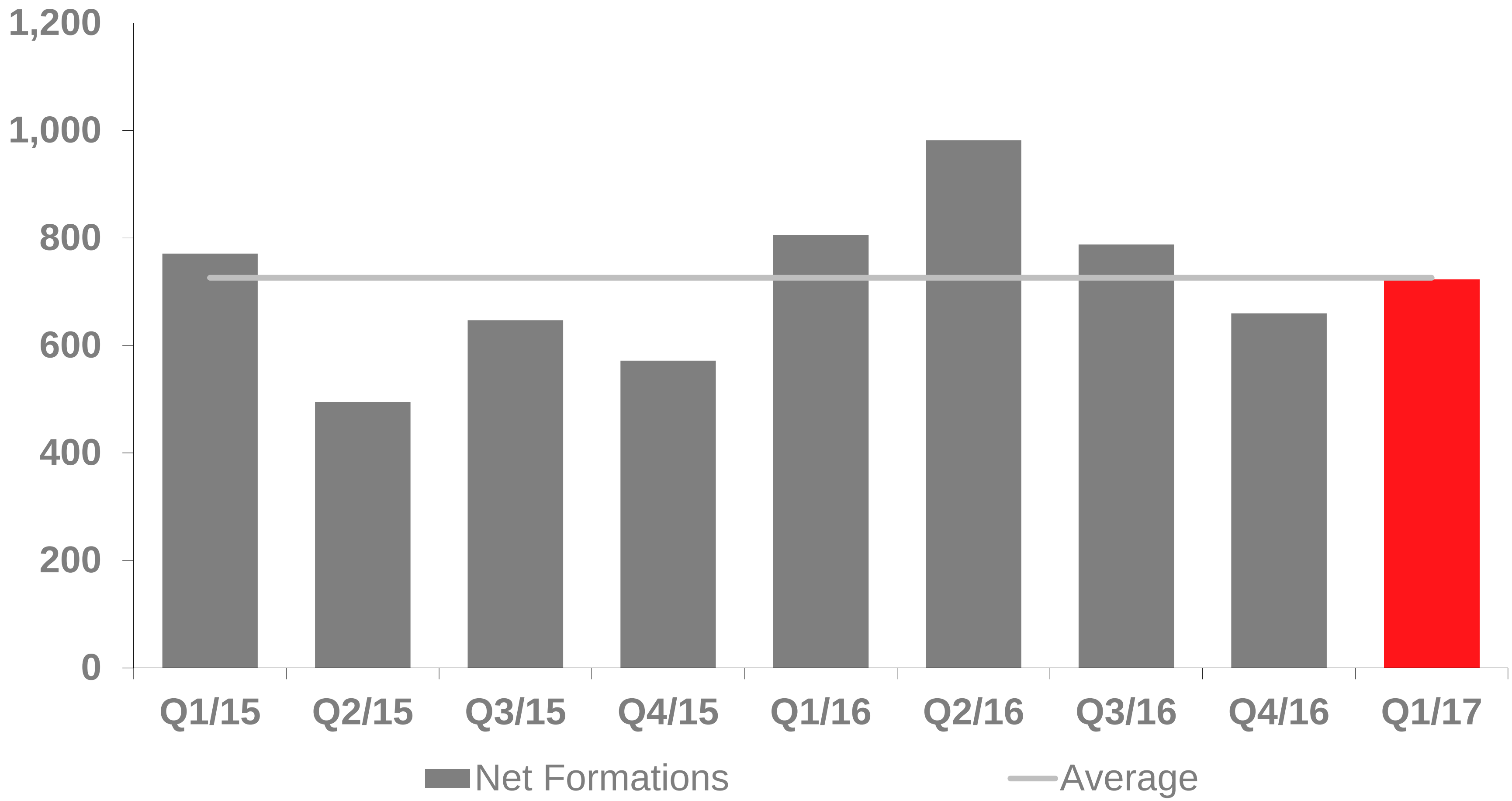
Provisions for Credit Losses

($ millions)	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17
Canadian Retail	181	190	196	203	213
Canadian Commercial	13	14	21	14	22
Total Canadian Banking	**194**	**204**	**217**	**217**	**235**
Total - Excluding net acquisition benefit	***212***	***221***	***232***	***221***	***240***
International Retail	252	250	254	251	265
International Commercial	39	130	62	43	45
Total International Banking	**291**	**380**	**316**	**294**	**310**
Total - Excluding net acquisition benefit	***315***	***415***	***343***	**337**	**340**
Global Banking and Markets	**54**	**118**	**38**	**39**	**8**
All Bank	**539**	**702**	**571**	**550**	**553**
All Bank - Excluding net acquisition benefit	***581***	***754***	***613***	***597***	***588***
Increase in Collective Allowance	**0**	**50**	**0**	**0**	**0**
All Bank	**539**	**752**	**571**	**550**	**553**
PCL ratio (bps) – Total PCLs as a % of Average Net Loans & Acceptances					
Excluding Collective Allowance	**45**	**59**	**47**	**45**	**45**
Including Collective Allowance	**45**	**64**	**47**	**45**	**45**

Scotiabank®

Net Formations of Impaired Loans[1]

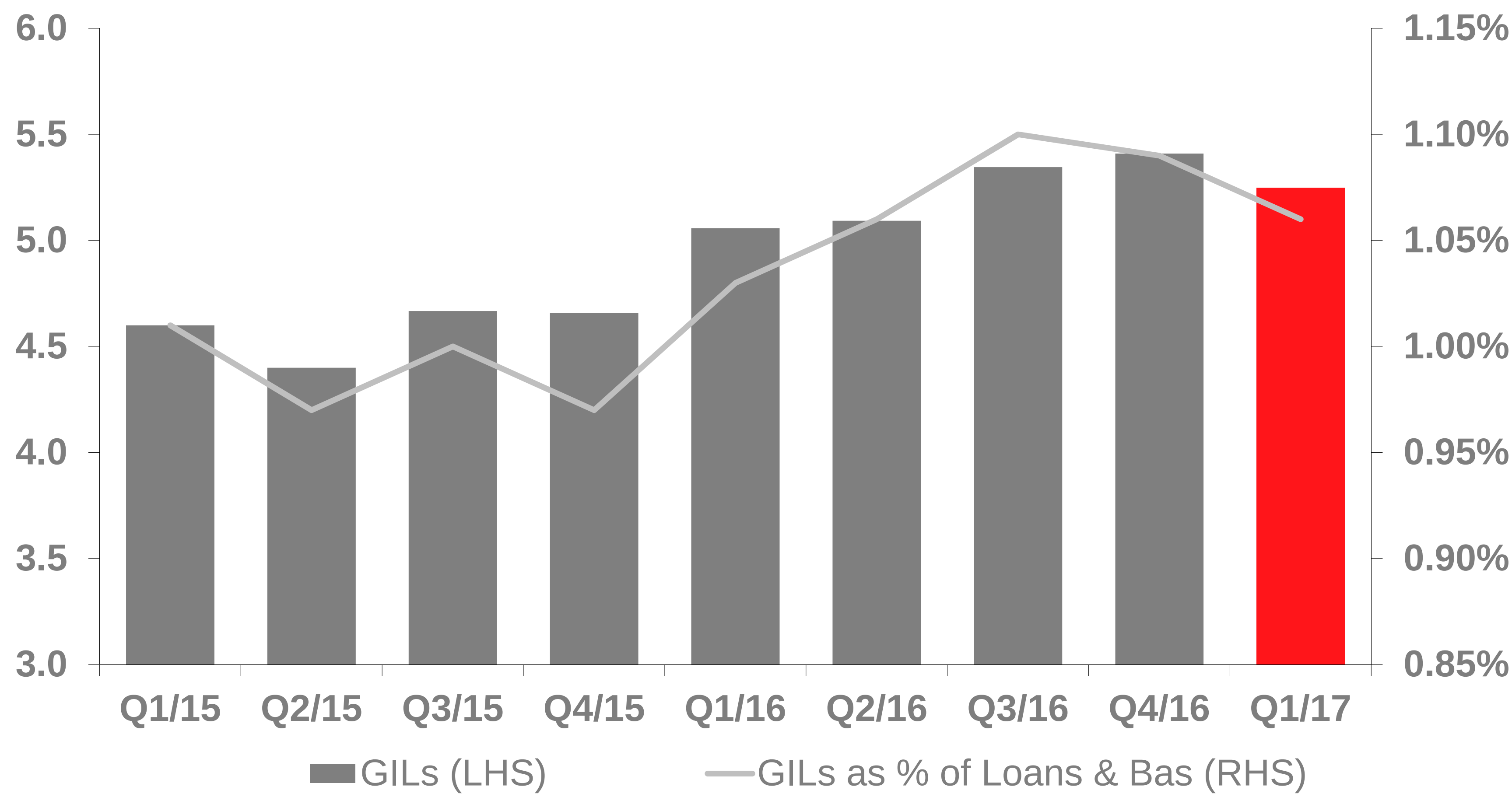
($ millions)



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

Gross Impaired Loans[1]

($ billions)

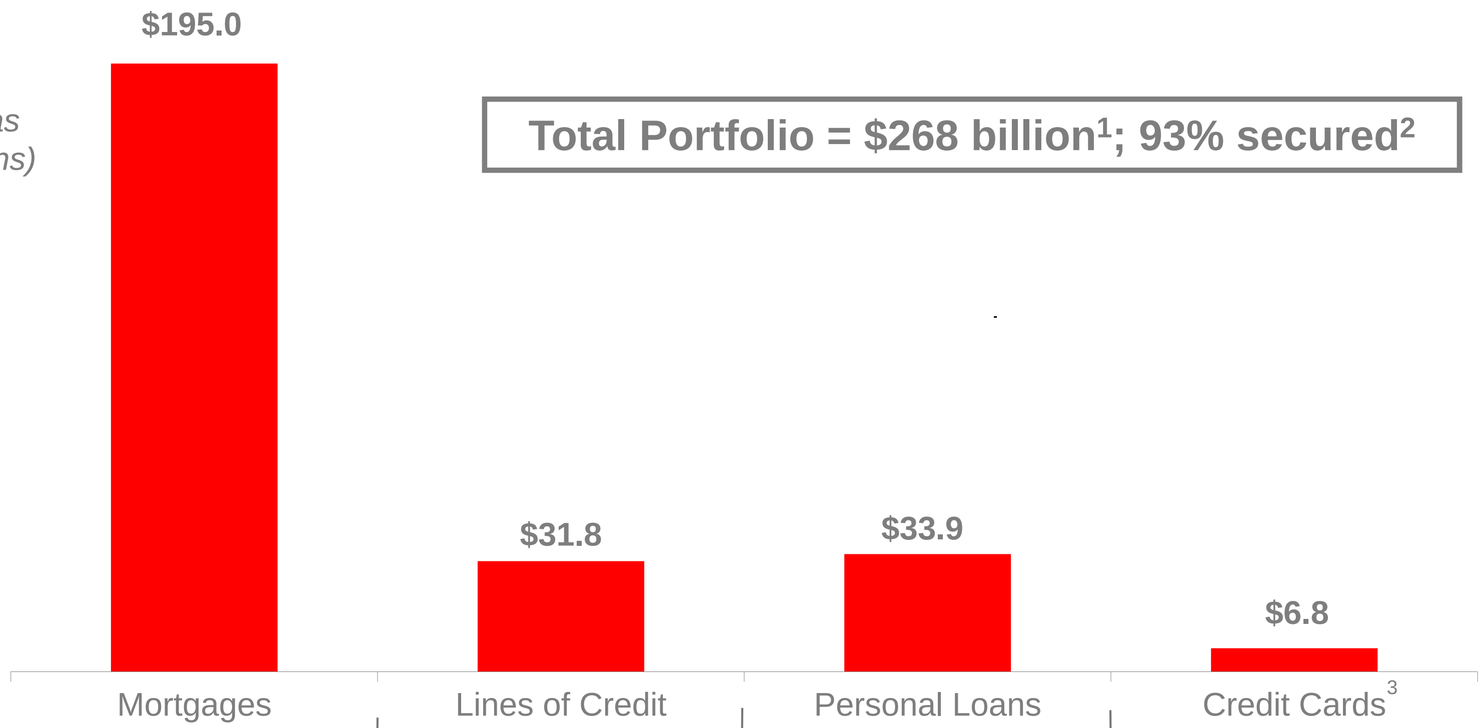


(1) Excludes loans acquired under the Federal Deposit Insurance Corporation (FDIC) guarantee related to the acquisition of R-G Premier Bank of Puerto Rico.

Canadian Retail: Loans and Provisions

(Spot Balances as at Q1/17, $ billions)

Total Portfolio = $268 billion[1]; 93% secured[2]



	Mortgages	Lines of Credit	Personal Loans	Credit Cards[3]
% secured	100%	60%	99%	4%

PCL[2]	Q1/17	Q4/16	Q1/17	Q4/16	Q1/17	Q4/16	Q1/17	Q4/16
$ millions	3	3	57	56	80	79	73	65
% of avg. net loans (bps)	1	1	72	70	96	94	437	380

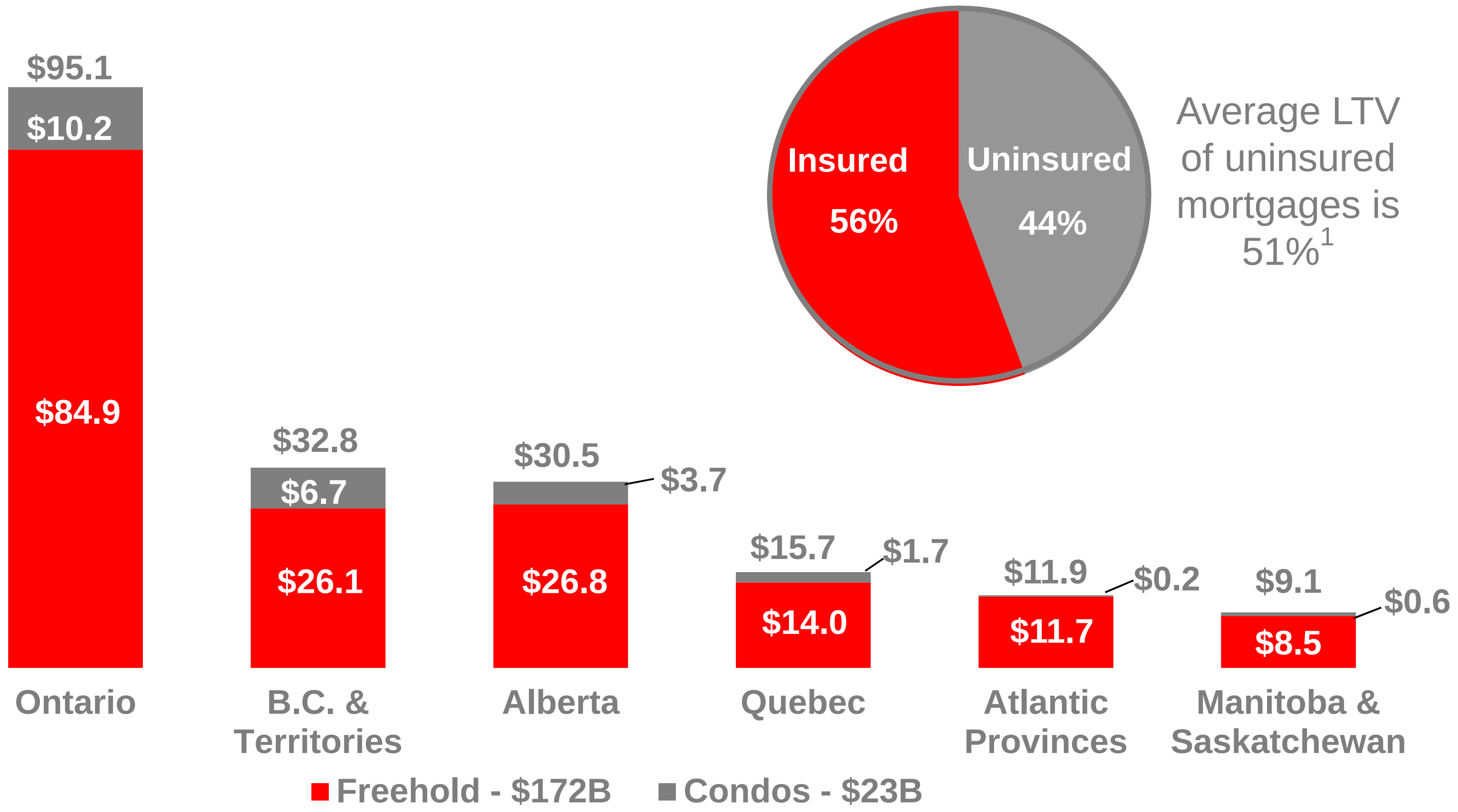
(1) Includes Tangerine balances of $8 billion
(2) 81% secured by real estate; 12% secured by automotive
(3) Includes JP Morgan Chase acquisition of $1.0 billion

Scotiabank®

Canadian Residential Mortgage Portfolio

(Spot Balances as at Q1/17, $ billions)

Total Portfolio: $195 billion



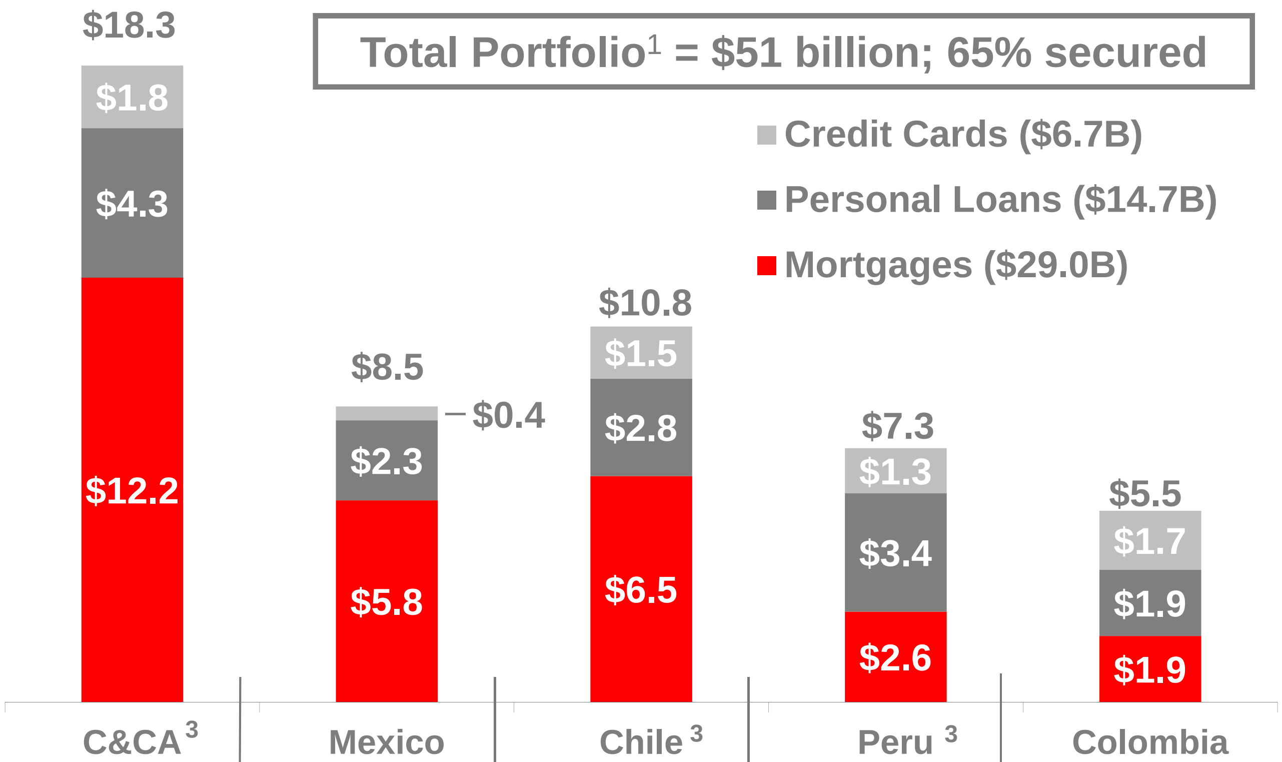
Average LTV of uninsured mortgages is 51%[1]

(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 Q1/17, $ billions[1])

Total Portfolio[1] = $51 billion; 65% secured

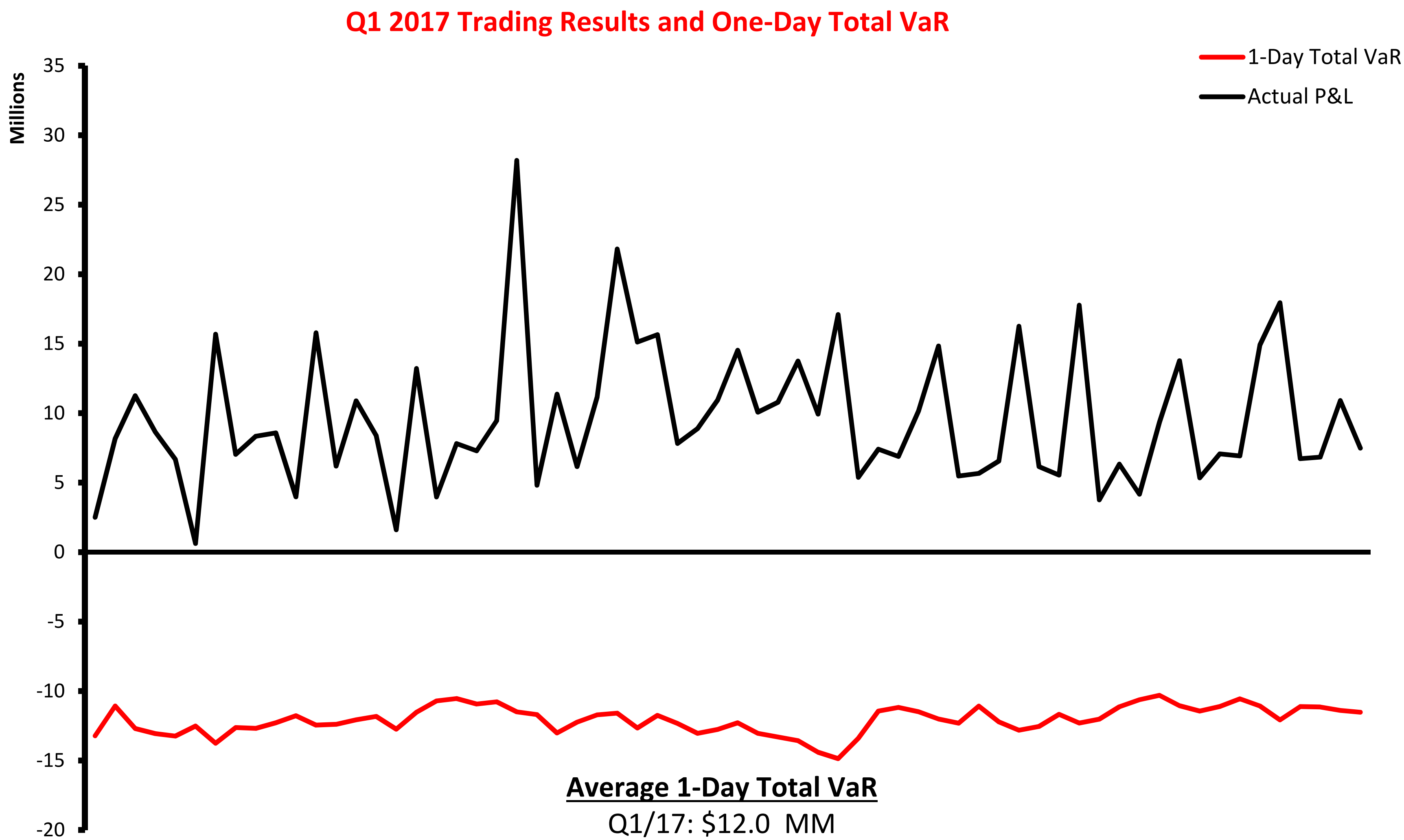


PCL[2]	C&CA[3] Q1/17	C&CA[3] Q4/16	Mexico Q1/17	Mexico Q4/16	Chile[3] Q1/17	Chile[3] Q4/16	Peru[3] Q1/17	Peru[3] Q4/16	Colombia Q1/17	Colombia Q4/16
$ millions	50	34	41	41	23	25	71	78	64	59
% of avg. net loans (bps)	109	75	194	186	88	97	415	472	488	460

(1) Total Portfolio includes other smaller portfolios
(2) Excludes Uruguay PCLs of approximately $15 million
(3) Includes the benefits from Cencosud and Citibank net acquisition benefits. Excluding the net acquisition benefits, C&CA's ratio would be 143 bps for Q1/17 and 120 bps for Q4/16, Chile's ratio would be 132 bps for Q1/17 and 144 bps for Q4/16 and Peru's ratio would be 502 bps for Q4/16

Scotiabank®

Q1 2017 Trading Results and One-Day Total VaR



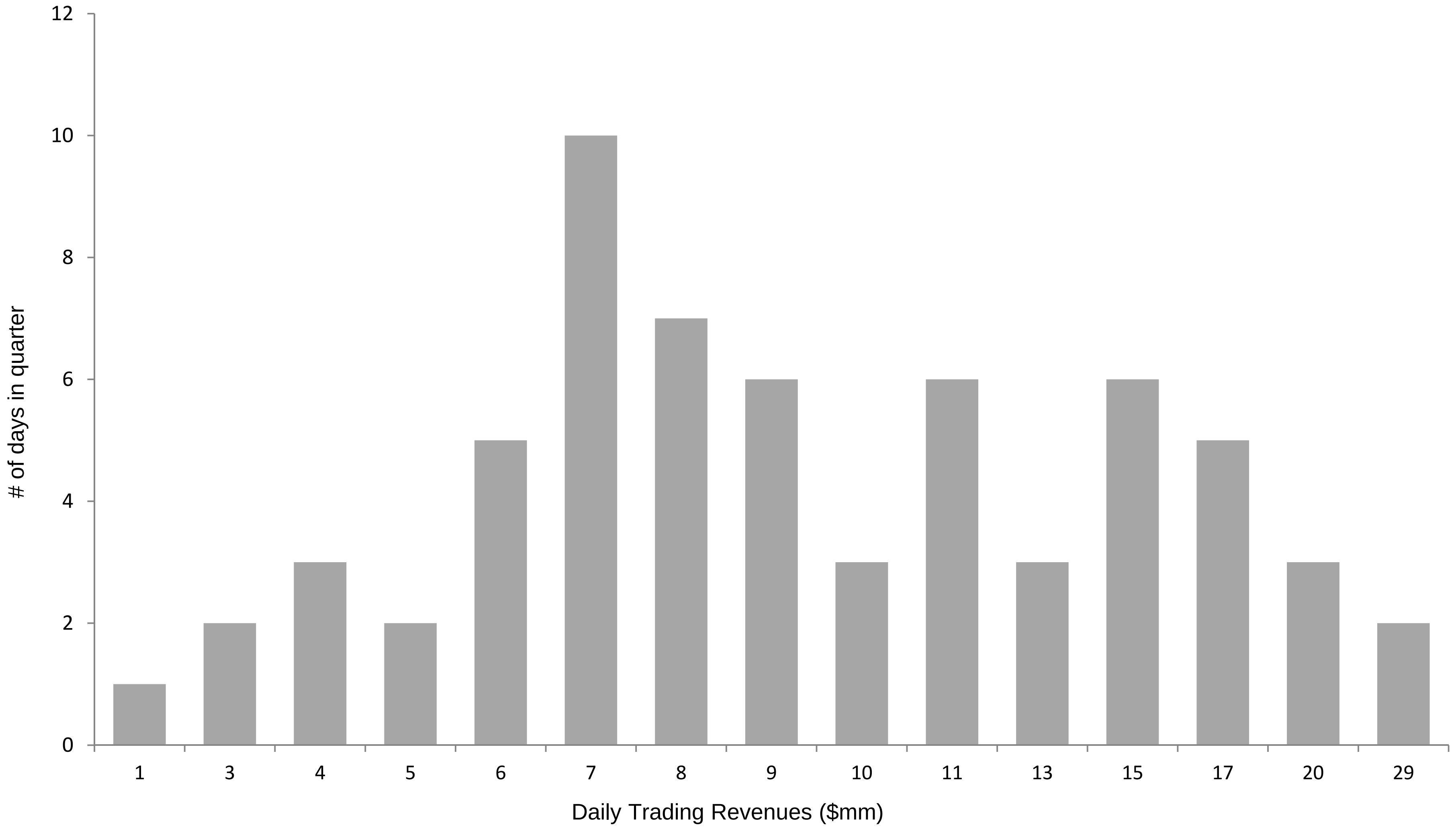
Average 1-Day Total VaR

Q1/17: $12.0 MM

Q4/16: $10.4 MM

Q1/16: $15.2 MM

Q1 2017 Trading Results



- No trading loss days in Q1/17

FX Movements versus Canadian Dollar

Currency	Q1/17	Q4/16	Q1/16	Canadian (Appreciation) / Depreciation Q / Q	Canadian (Appreciation) / Depreciation Y / Y
Spot					
U.S. Dollar	0.769	0.746	0.713	-3.1%	-7.7%
Mexican Peso	16.026	14.09	12.938	-13.7%	-23.9%
Peruvian Sol	2.514	2.508	2.479	-0.2%	-1.4%
Colombian Peso	2,248	2,240	2,351	-0.3%	+4.4%
Chilean Peso	498.4	487.0	509.0	-2.3%	+2.1%
Average					
U.S. Dollar	0.750	0.762	0.729	+1.7%	-2.9%
Mexican Peso	15.50	14.39	12.57	-7.7%	-23.4%
Peruvian Sol	2.533	2.565	2.466	+1.3%	-2.7%
Colombian Peso	2,265	2,239	2,317	-1.2%	+2.2%
Chilean Peso	498.2	505.8	517.5	+1.5%	+3.7%

Scotiabank®