

Investor Presentation

THIRD QUARTER 2017

August 29, 2017



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 forward-looking statements contained in this document are presented for the purpose of assisting the holders of the Bank’s securities and financial analysts in understanding the Bank’s financial position and results of operations as at and for the periods ended on the dates presented, as well as the Bank’s financial performance objectives, vision and strategic goals, and may not be appropriate for other purposes. Except as required by law, 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.

Overview

Brian Porter

President & Chief Executive Officer



Q3 2017 Overview

- **Strong Q3 results**
 - Net income of \$2.1 billion
 - Diluted EPS of \$1.66 per share
 - ROE of 14.8%
- **Quarterly dividend increased 3 cents to \$0.79 per share**
- **Strong performance across our business lines**
- **Structural cost initiatives progressing ahead of plan**
- **Improved credit performance**
- **Capital position remains strong**



Financial Review

Sean McGuckin

Chief Financial Officer



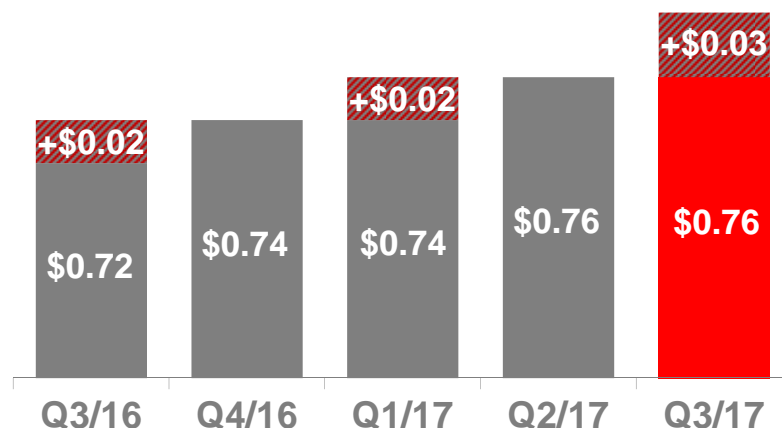
Q3 2017 Financial Performance

\$ millions, except EPS	Q3/17	Q/Q	Y/Y
Net Income	\$2,103	+2%	+7%
Diluted EPS	\$1.66	+2%	+8%
Revenue	\$6,894	+5%	+4%
Expenses	\$3,672	+2%	+5%
Productivity Ratio	53.3%	-140bps	+50bps
Core Banking Margin	2.46%	-8bps	+8bps
PCL Ratio	45bps	-4bps	-2bps

Year-over-Year Highlights

- **Net Income grew 7%**
- **Diluted EPS grew 8%**
- **Revenue up 4%**
 - Higher net interest income from asset growth in both Canadian and International Banking
 - Growth in banking and wealth revenues and gains on sale of real estate
 - Partly offset by lower net gains on investment securities, underwriting and advisory fees, and trading revenues
- **Expense growth of 5%**
 - Investments in technology, digital banking, and other initiatives, higher employee-related costs and the impact of foreign exchange translation
- **YTD operating leverage¹ of -0.5% or +0.6% on a TEB basis**
- **PCL ratio improved 2 bps**
 - Higher retail provisions were mostly offset by lower non-retail provisions across all business lines

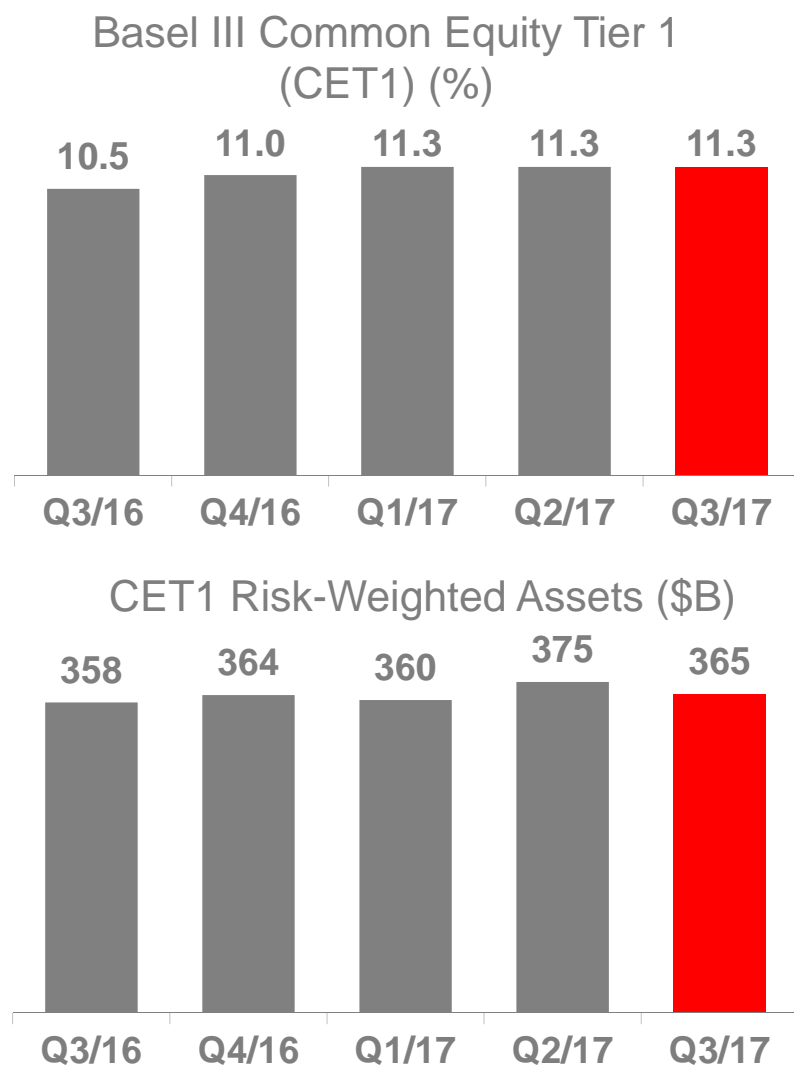
Dividends Per Common Share



 Announced dividend increase

¹Adjusting for restructuring charge of \$278 million after-tax (\$378 million before-tax) in Q2/16

Capital – Strong Position

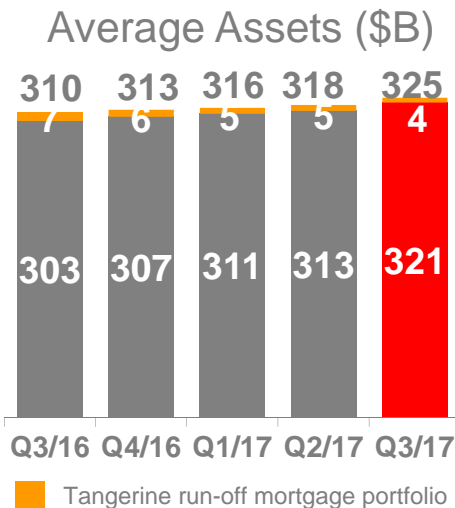
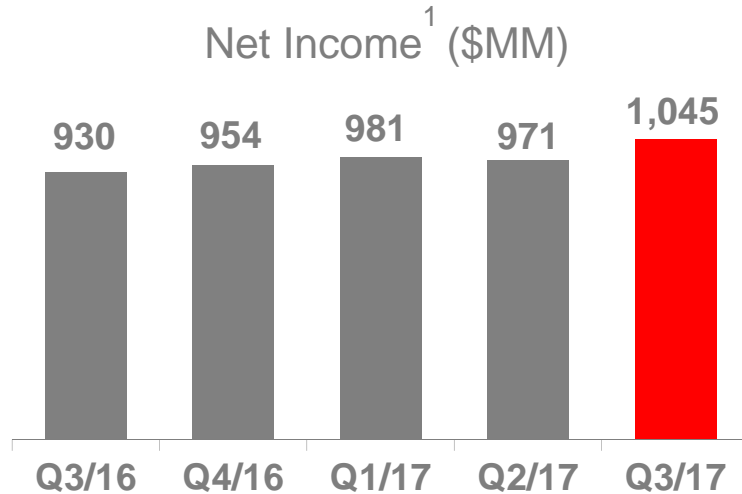


Highlights

- Strong internal capital generation and revaluation gains from pension and benefit plans was offset by foreign currency translation and share buy-backs
- Quarterly dividend increased by 3 cents to \$0.79 per share, up 7% Y/Y
- CET1 risk-weighted assets decreased \$10 billion Q/Q
 - Primarily due to the impact of a stronger Canadian dollar
 - Partly offset by organic growth in personal and business lending RWA
- Leverage ratio stable at 4.4%
- Liquidity ratio of 125%

Capital position remains strong and dividend increase of 3 cents

Canadian Banking



(1) Attributable to equity holders of the Bank

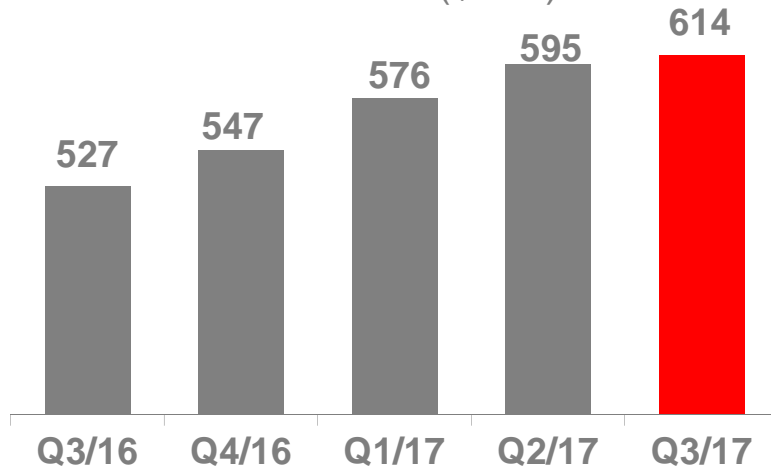
Year-over-Year Highlights

- **Net income up 12%**
 - +8%, adjusting for real estate gains
 - Strong loan growth and margin expansion
 - Stable credit
- **Loan growth of 5%, or 6%, adjusting for the Tangerine run-off mortgage portfolio**
 - Residential mortgages up 6%
 - Business loans up 11%
- **Deposits up 5%**
 - Retail savings deposits grew 10% and chequing accounts were up 11%
 - Small business and commercial banking operating accounts grew by 10%
- **NIM up 3 bps**
- **PCL ratio down 1 bp**
- **Expenses up 4%**
 - Higher investments in digital and technology to support business growth, partially offset by benefits realized from cost reduction initiatives
- **Positive YTD operating leverage of 2.5%**

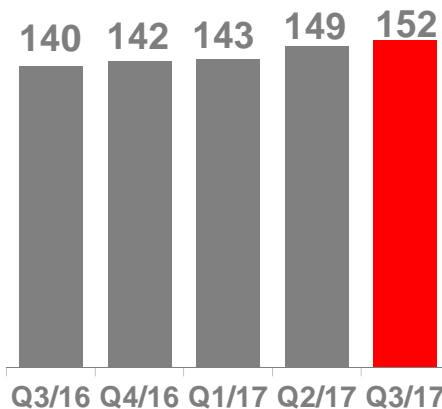
Strong loan growth and margin expansion

International Banking

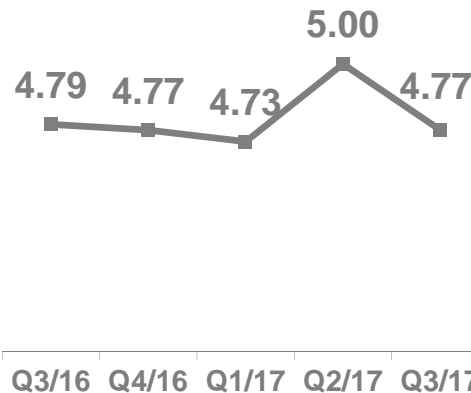
Net Income¹ (\$MM)



Average Assets (\$B)



Net Interest Margin (%)



Year-over-Year Highlights

- **Net Income up 16% or 12%²**
 - Good asset and deposit growth
 - Benefits from cost-reduction initiatives
- **Loans up 11% and deposits up 13%**
 - Commercial loan growth was 6%² Q/Q
 - Pacific Alliance loan growth up 13%² Y/Y
- **NIM down 2 bps, but RAM up 3 bps**
 - Driven by impact of customer assistance programs related to flooding in Peru
 - Lower net inflation impacts
 - Partly offset by higher spreads related to Central Bank rate changes
- **PCL ratio improved by 10 bps**
- **Expenses up 7% or 5%²**
 - Increased business volumes, inflation, higher technology investment and business taxes, partly offset by benefits realized from cost-reduction initiatives
- **Positive YTD operating leverage of 3%**

Solid volume growth and positive operating leverage

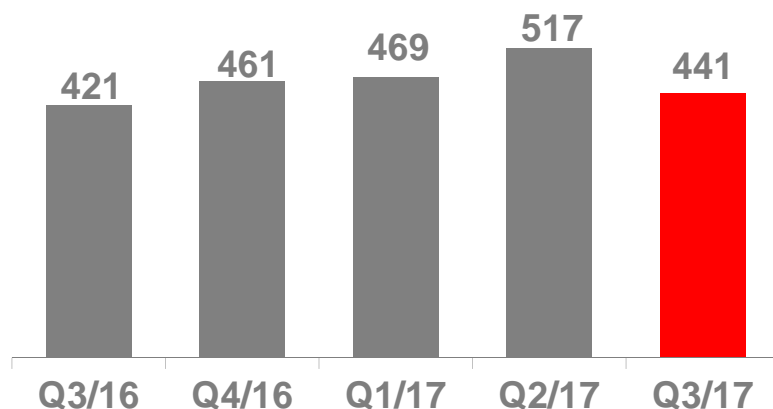
(1) Attributable to equity holders of the Bank

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

Global Banking and Markets

Year-over-Year Highlights

Net Income¹ (\$MM)



- **Net Income up 5%**

- Driven mainly by higher contributions from equities and the Canadian, U.S, and European lending businesses
- Partly offset by lower results in fixed income, Asian lending and investment banking, as well as higher regulatory costs

- **Revenue down 3%**

- **PCL ratio improved by 8 bps, driven by lower provisions in energy**

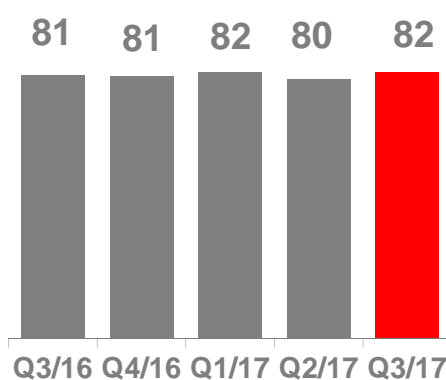
- PCL ratio increased 10 bps Q/Q, largely related to one account

- **Expenses up 5%**

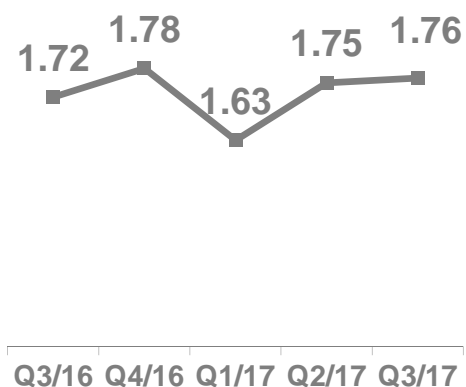
- Higher expenses related to regulatory initiatives

- **Positive YTD operating leverage of 3%**

Average Loans² (\$B)



Net Interest Margin³ (%)

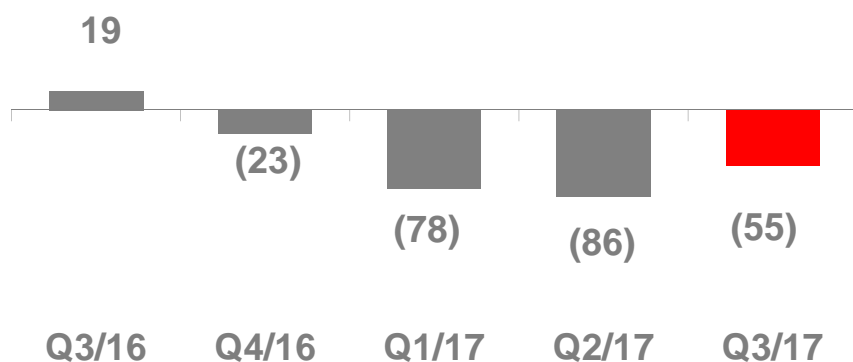


Higher contributions from equities and improved credit performance

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

Other Segment¹

Net Income² (\$MM)



Year-over-Year Highlights

- Lower net gain on investment securities, partly offset by a decrease in non-interest expenses
- Lower level of non-interest income and higher income tax benefit, were partly due to the elimination of larger TEB amounts this quarter

(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



Risk Review

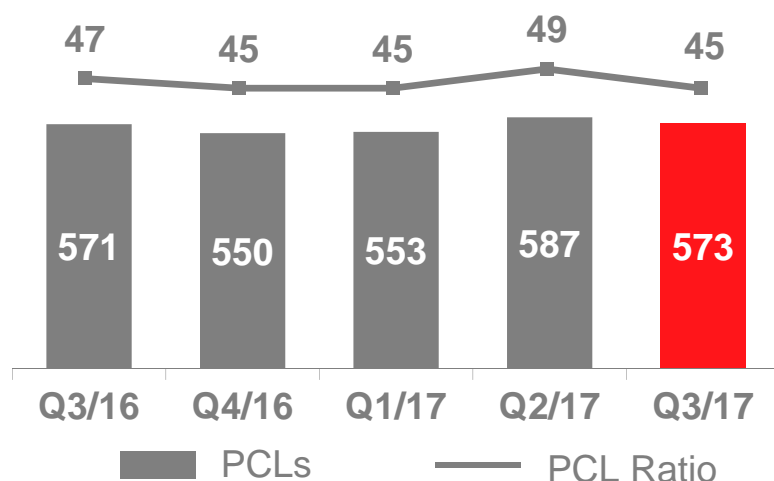
Daniel Moore

Chief Risk Officer

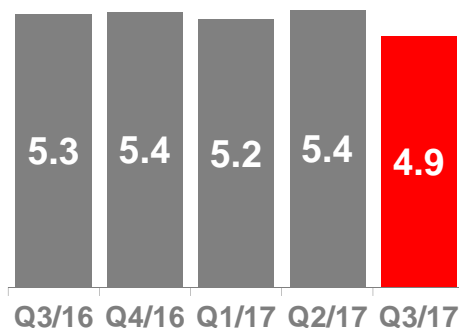


Risk Review

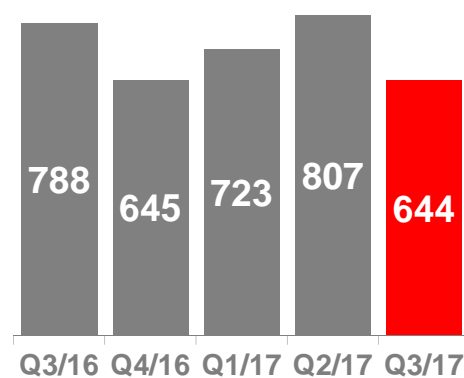
PCLs (\$MM) and PCL Ratio (bps)



GILs¹ (\$ billions)



Formations (\$MM)



Year-over-Year Highlights

- **PCLs are stable and PCL ratio reported improved performance**
 - Retail PCL ratio in Canada has stabilized and delinquency rates improved across all product categories
 - Good retail trends in International excluding Colombia
 - Improved commercial performance in Canada and International
 - Cumulative energy loan loss ratio remains below expectations
- **Gross impaired loans improved 9% Q/Q¹**
 - Net impaired loan loss ratio improved 5 bps Q/Q to 0.44%
- **Net formations down 20% Q/Q**
 - Improvement across all business lines
- **Market risk - average 1-day all-bank VaR of \$11 million, down Q/Q**
 - No trading loss days in Q3/17

Overall credit fundamentals are within expectations

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

PCL Ratios

(Total PCL as a % of Average Net Loans & Acceptances)	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17
Canadian Banking					
Retail	0.30	0.31	0.32	0.34	0.31
Commercial	0.20	0.14	0.21	0.14	0.09
Total	0.29	0.28	0.30	0.31	0.28
<i>Total - Excluding net acquisition benefit</i>	<i>0.31</i>	<i>0.29</i>	<i>0.31</i>	<i>0.32</i>	<i>0.29</i>
International Banking					
Retail	2.13	2.01	2.10	2.19	2.08
Commercial	0.47	0.33	0.35	0.51	0.31
Total	1.26	1.15	1.21	1.33	1.16
<i>Total - Excluding net acquisition benefit</i>	<i>1.39</i>	<i>1.32</i>	<i>1.32</i>	<i>1.45</i>	<i>1.27</i>
Global Banking and Markets	0.19	0.19	0.04	0.01	0.11
All Bank	0.47	0.45	0.45	0.49	0.45

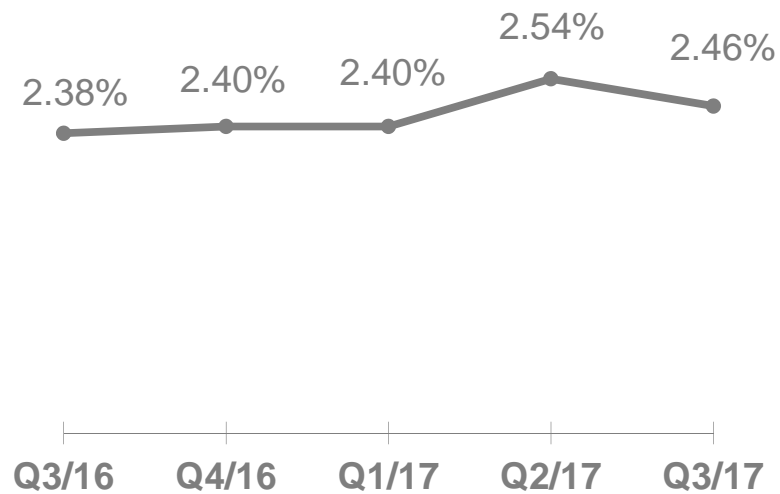
Appendix



Diluted EPS Reconciliation

\$ per share	Q3/17
Reported Diluted EPS	\$1.66
Add: Amortization of Acquisition and Intangibles	\$0.02
Adjusted Diluted EPS	\$1.68

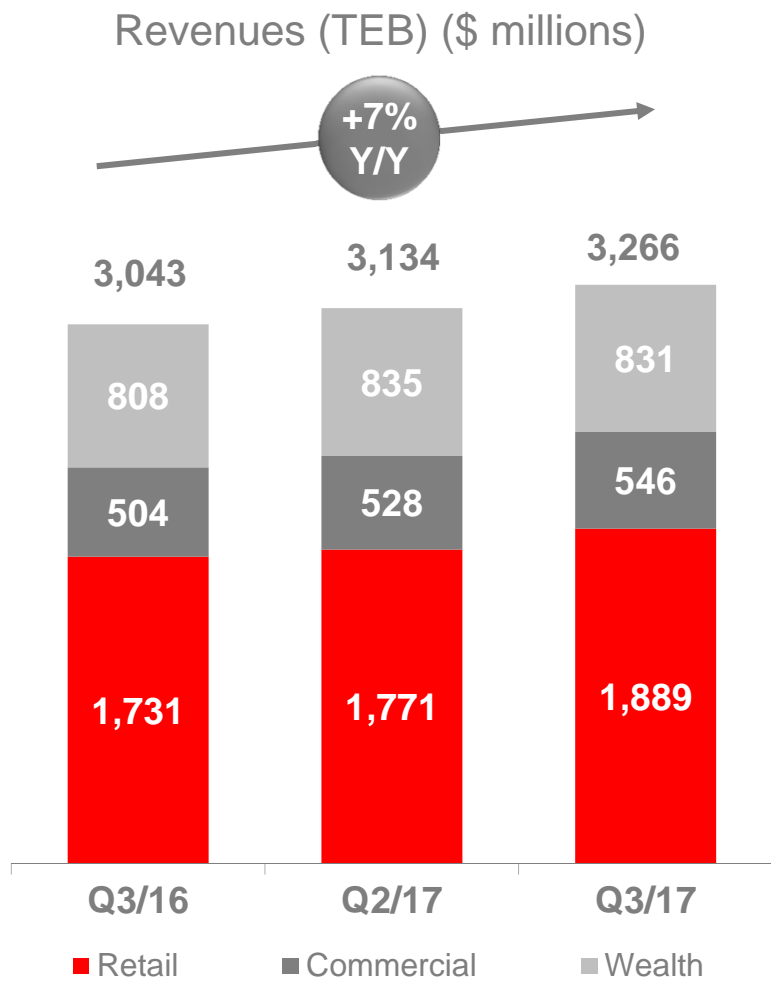
Core Banking Margin



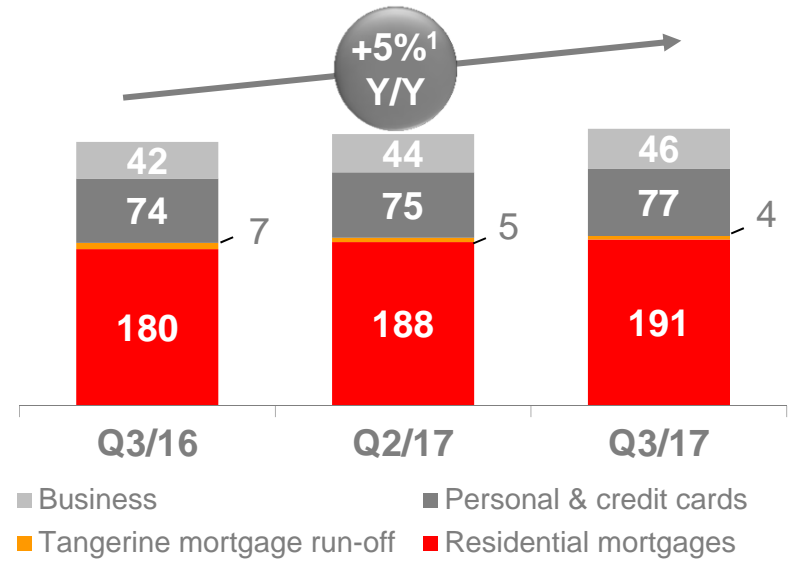
Year-over-year

- Higher margins driven by growth in higher margin assets in International Banking, a reduction of lower yielding deposits with banks, as well as wider margins in Canadian Banking

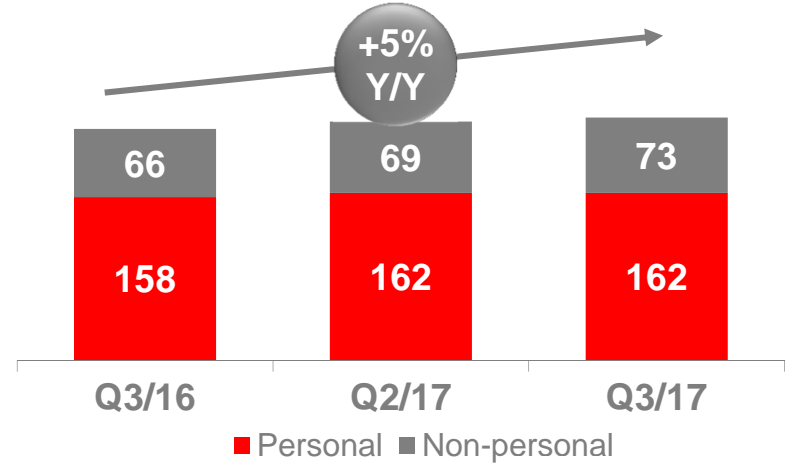
Canadian Banking – Revenue & Volume Growth



Average Loans & Acceptances (\$ billions)

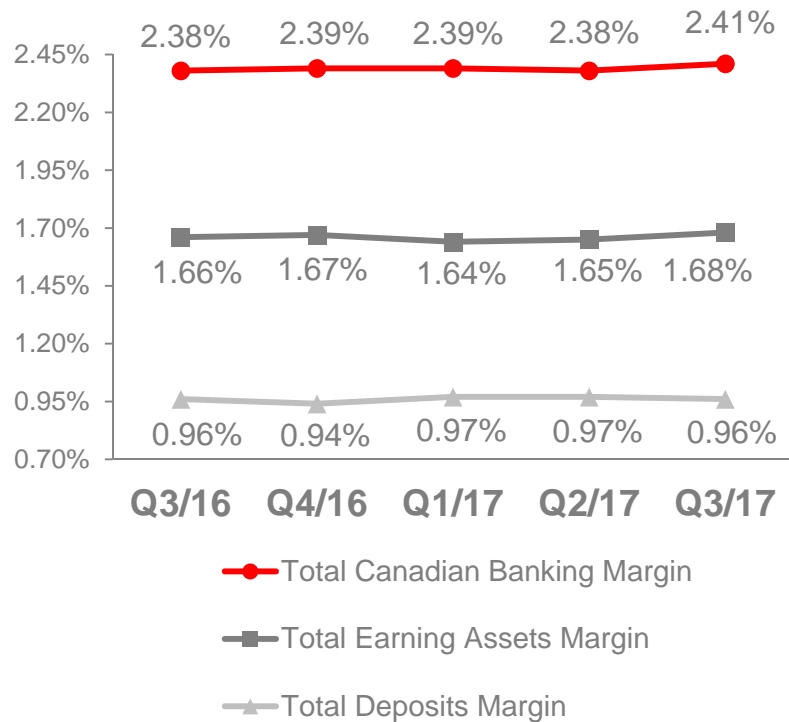


Average Deposits (\$ billions)



(1) Adjusting for Tangerine run-off portfolio, loans & acceptances increased 6% year over year

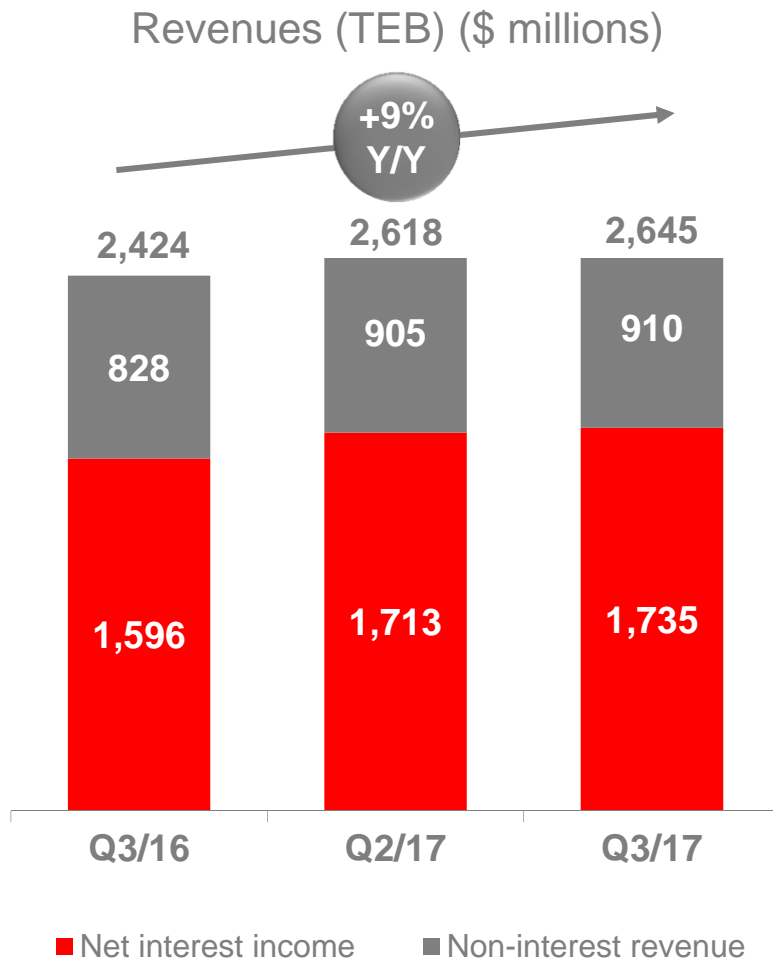
Canadian Banking – Net Interest Margin



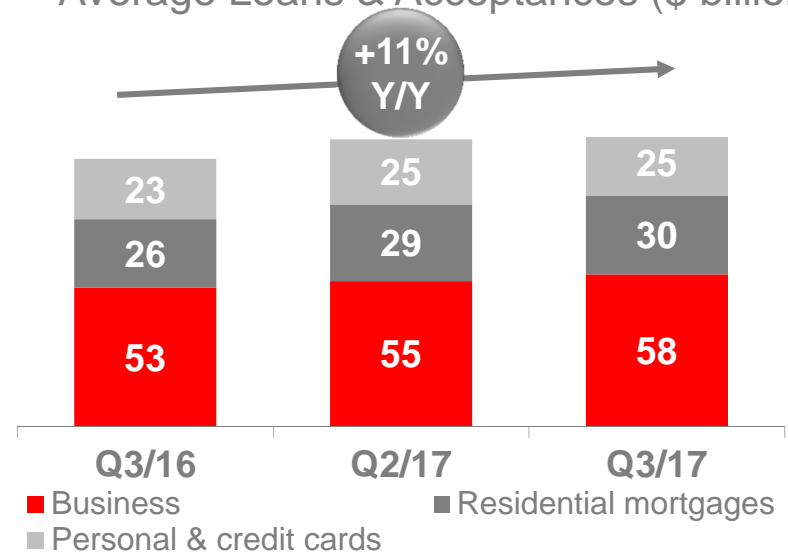
Year-over-Year

- Net Interest Margin was up 3 bps to 2.41%, from higher yields in unsecured lending, the impact of the run-off of lower spread Tangerine mortgages, and higher deposit volumes

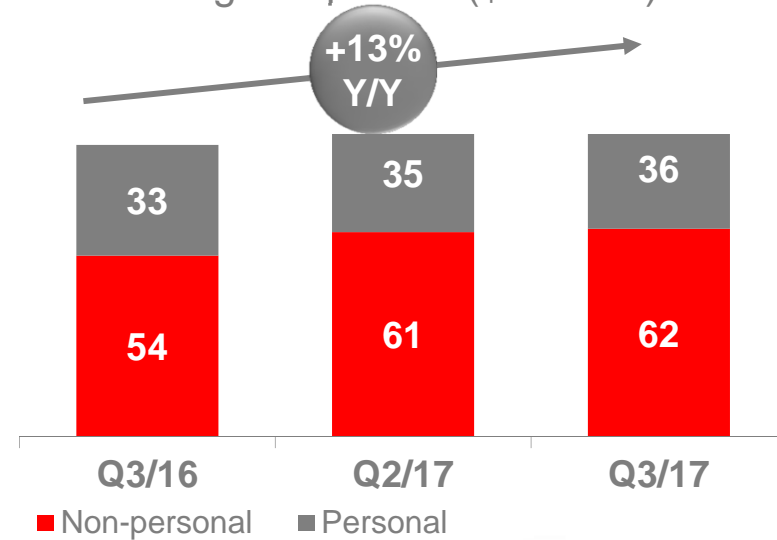
International Banking – Revenue & Volume Growth



Average Loans & Acceptances (\$ billions)



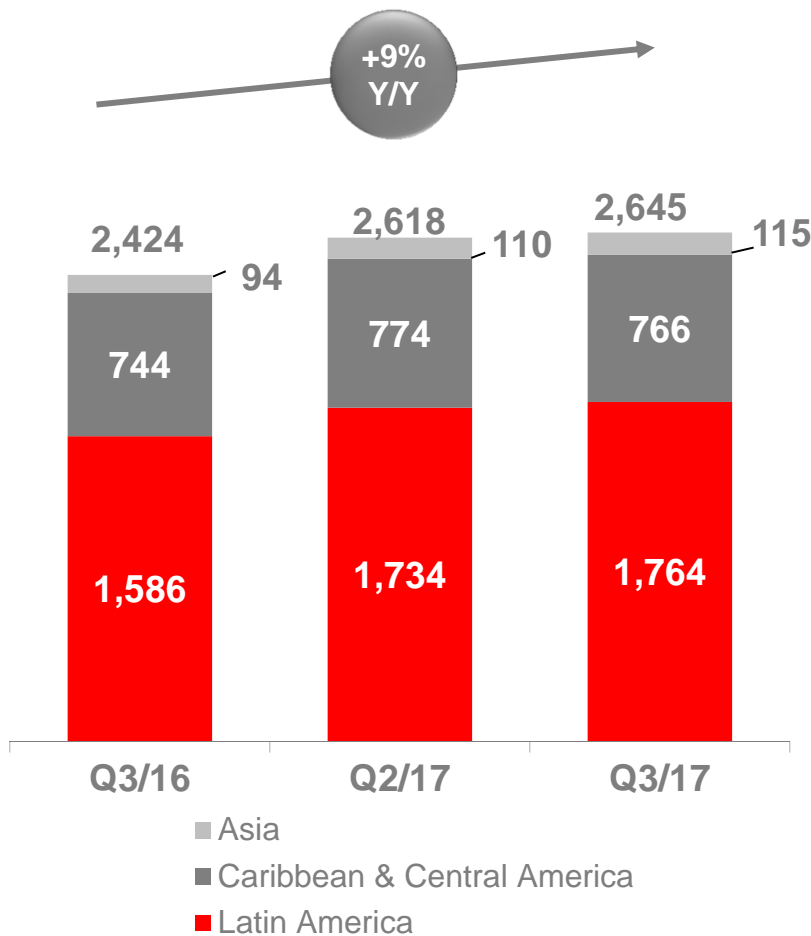
Average Deposits¹ (\$ billions)



(1) Includes deposits from banks

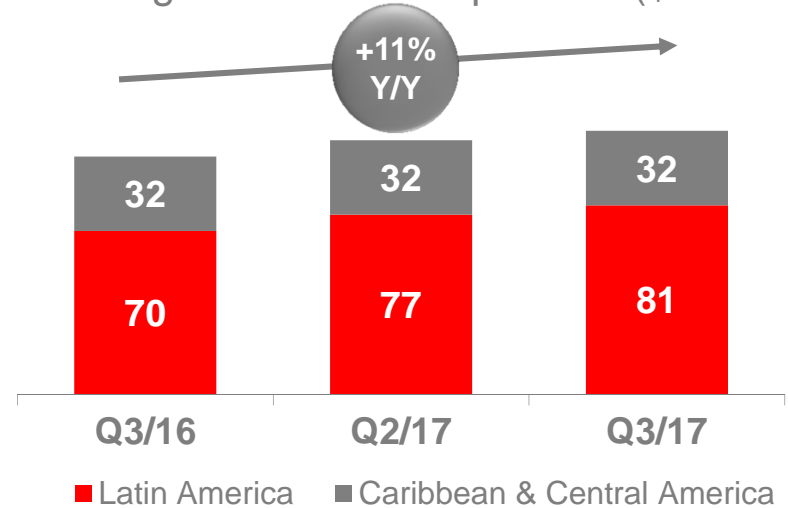
International Banking – Regional Growth

Revenues (TEB) (\$ millions)



(1) Excludes bankers acceptances

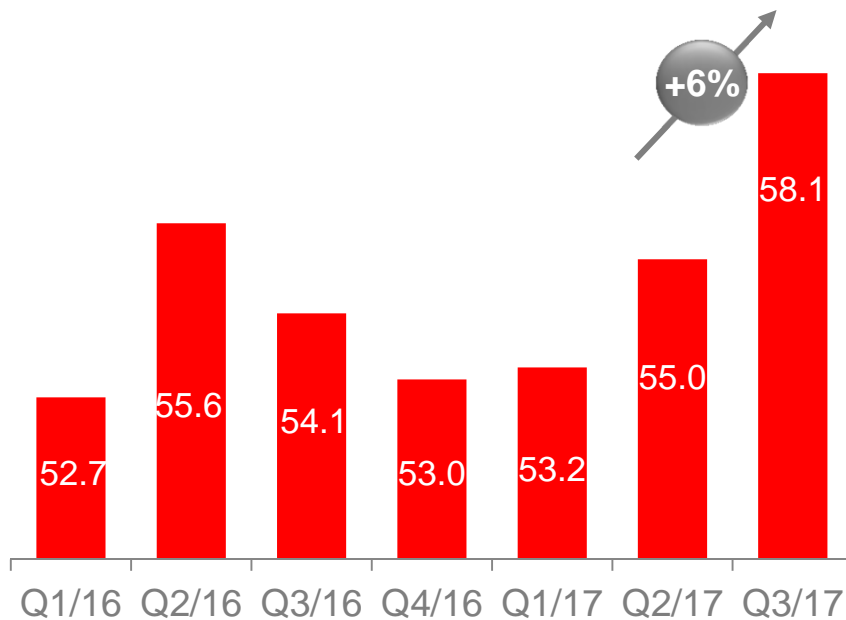
Average Loans & Acceptances (\$ billions)



Constant FX Loan Volumes Y/Y	Retail	Commercial ¹	Total
Latin America	15%	11%	12%
C&CA	0%	-2%	-1%
Total	9%	7%	8%

Commercial loans increased 6% Q/Q

International Banking – Commercial Loan Growth



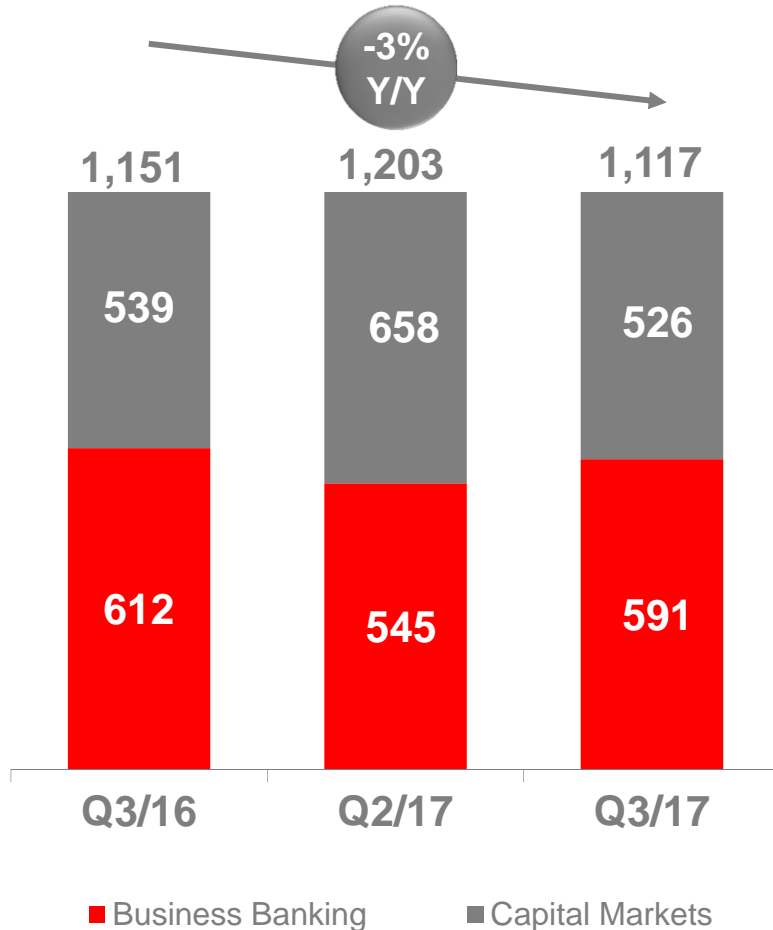
Highlights

- Quarter-over-quarter commercial loan growth was 6%, mainly driven by Pacific Alliance countries
- Year-over-year commercial loan growth was 7%

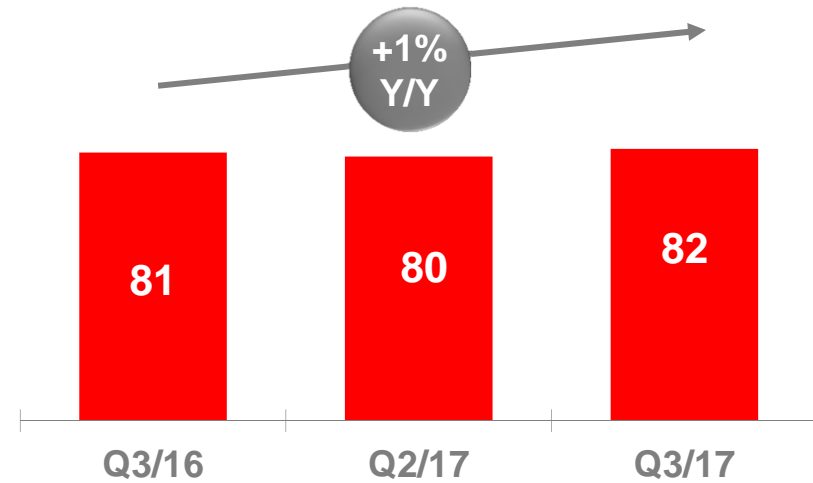
(1) In \$ billions and reflects foreign exchange translation at Q3/17 foreign exchange rates
(2) Excludes bankers acceptances

Global Banking and Markets – Revenue & Volume Growth

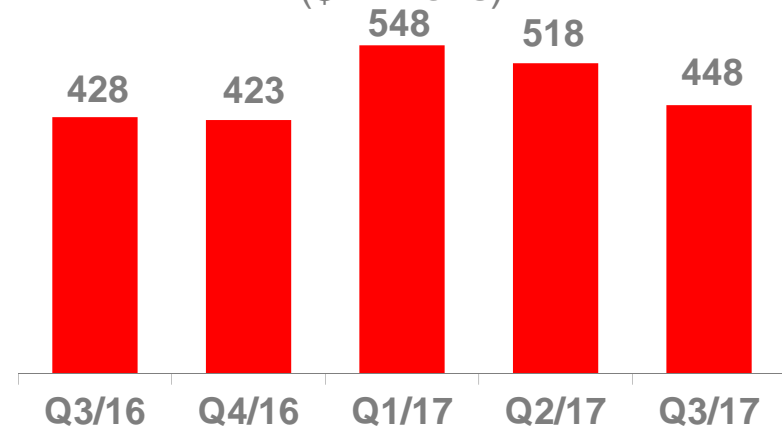
Revenues (TEB) (\$ millions)



Average Loans & Acceptances (\$ billions)



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



Economic Outlook in Key Markets

	Real GDP (Annual % Change)			
Country	2000-15 Avg.	2016A	2017F	2018F
Mexico	2.4	2.3	2.1	2.5
Peru	5.3	3.9	2.5	3.7
Chile	4.3	1.6	1.6	2.6
Colombia	4.3	2.0	1.9	2.2
	2000-15 Avg.	2016A	2017F	2018F
Canada	2.2	1.5	2.9	1.9
U.S.	2.0	1.5	2.1	2.2

Source: Scotia Economics, as of August 2, 2017

Energy Exposures¹

- **Committed to our guidance of a cumulative PCL ratio of less than 3%² since 2015**
 - Cumulative PCL ratio of 2.1% as of Q3/17²
 - Risk of loss has declined in this sector
- **Drawn corporate energy exposure of \$14.9 billion increased 8.9% Q/Q³**
 - Approximately 53% investment grade
- **Undrawn commitments of \$11.7 billion increased 0.4% Q/Q³**
 - Approximately 71% 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, 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 – Q3/17 divided by the average quarterly exposure over the period Q1/15 – Q3/17.

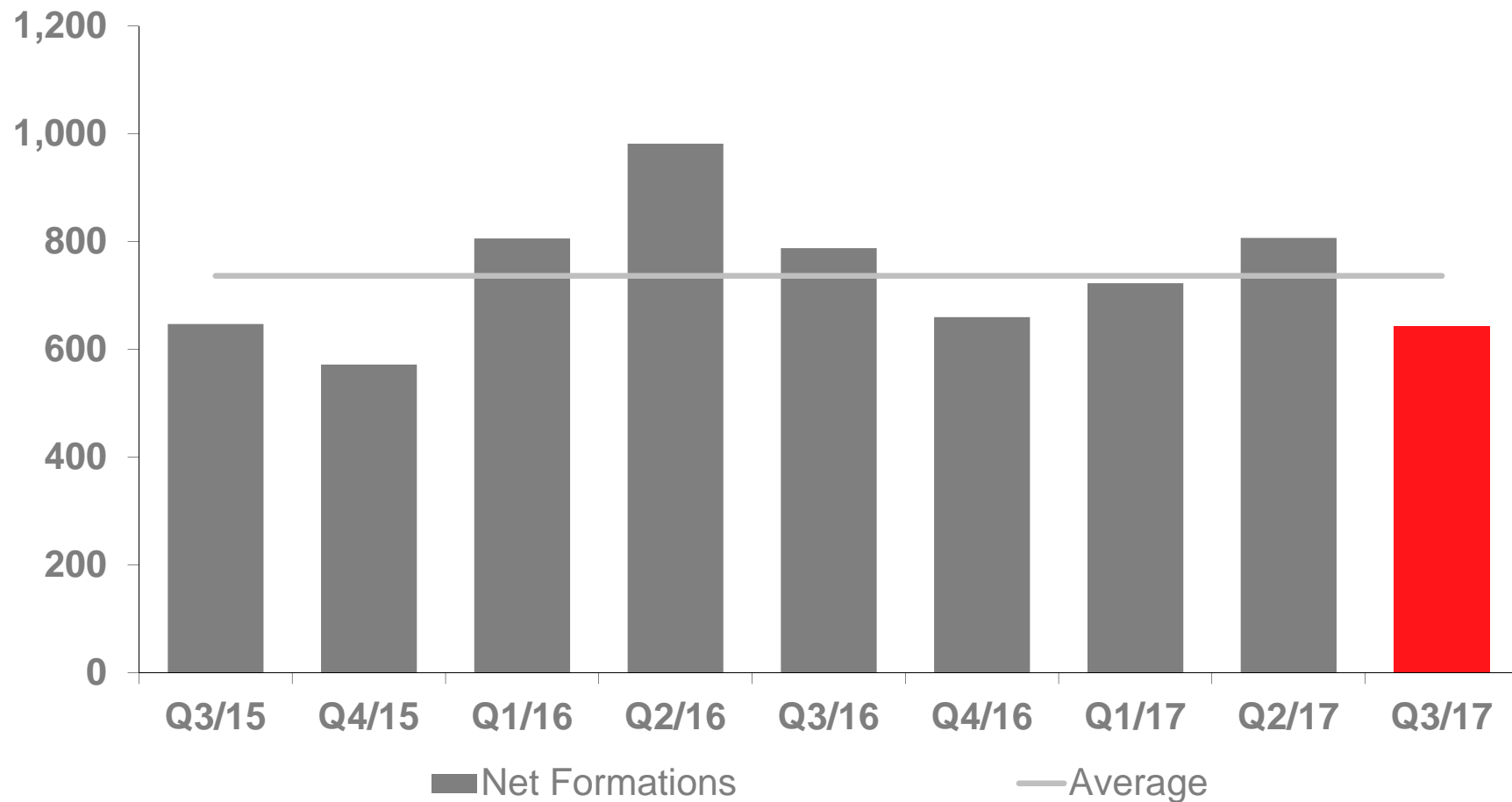
(3) Quarter-over-quarter impact is calculated on a constant currency basis. Inclusive of FX changes drawn exposures increased 2.0% and undrawn commitments decreased 5.6%.

Provisions for Credit Losses

(\$ millions)	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17
Canadian Retail	196	203	213	220	214
Canadian Commercial	21	14	22	16	10
Total Canadian Banking	217	217	235	236	224
<i>Total - Excluding net acquisition benefit</i>	<i>232</i>	<i>221</i>	<i>240</i>	<i>247</i>	<i>232</i>
International Retail	254	251	265	280	280
International Commercial	62	43	45	69	45
Total International Banking	316	294	310	349	325
<i>Total - Excluding net acquisition benefit</i>	<i>343</i>	<i>337</i>	<i>340</i>	<i>380</i>	<i>355</i>
Global Banking and Markets	38	39	8	2	24
All Bank	571	550	553	587	573
<i>All Bank - Excluding net acquisition benefit</i>	<i>613</i>	<i>597</i>	<i>588</i>	<i>629</i>	<i>611</i>
Increase in Collective Allowance	0	0	0	0	0
All Bank	571	550	553	587	573
PCL ratio (bps) – Total PCLs as a % of Average Net Loans & Acceptances					
Excluding Collective Allowance	47	45	45	49	45
Including Collective Allowance	47	45	45	49	45

Net Formations of Impaired Loans¹

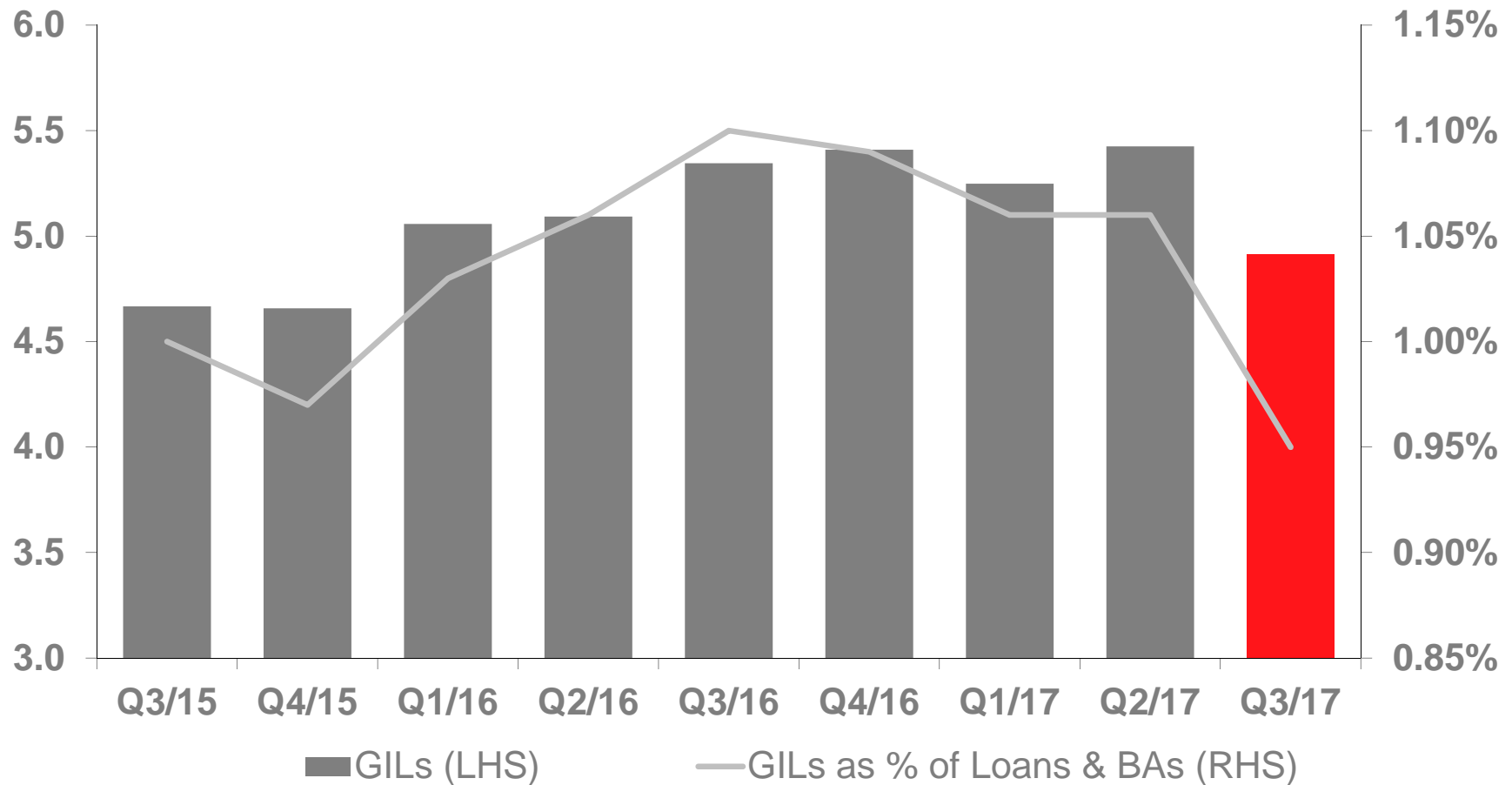
(\$ millions)



(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 Loans¹

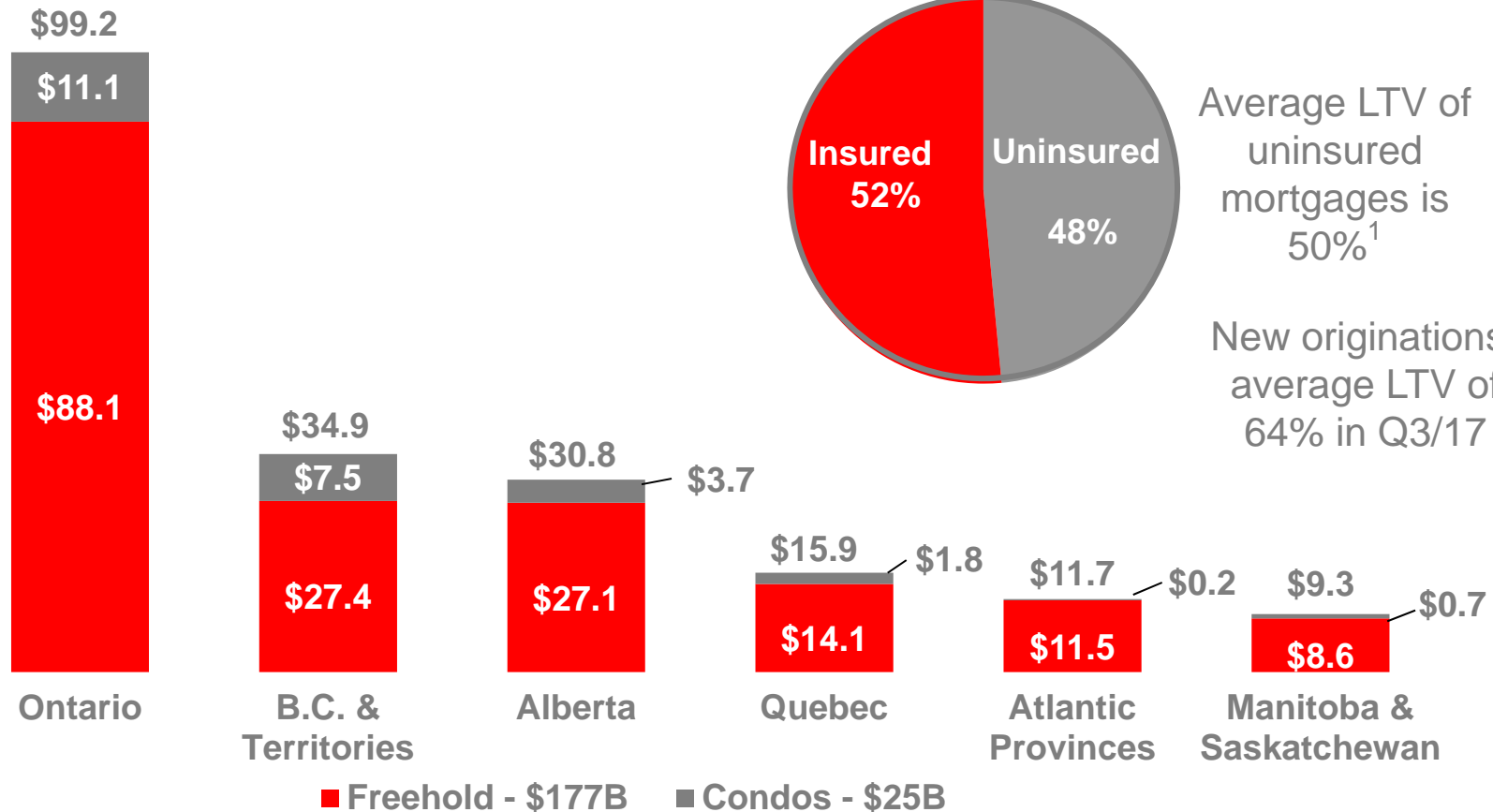
(\$ billions)



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

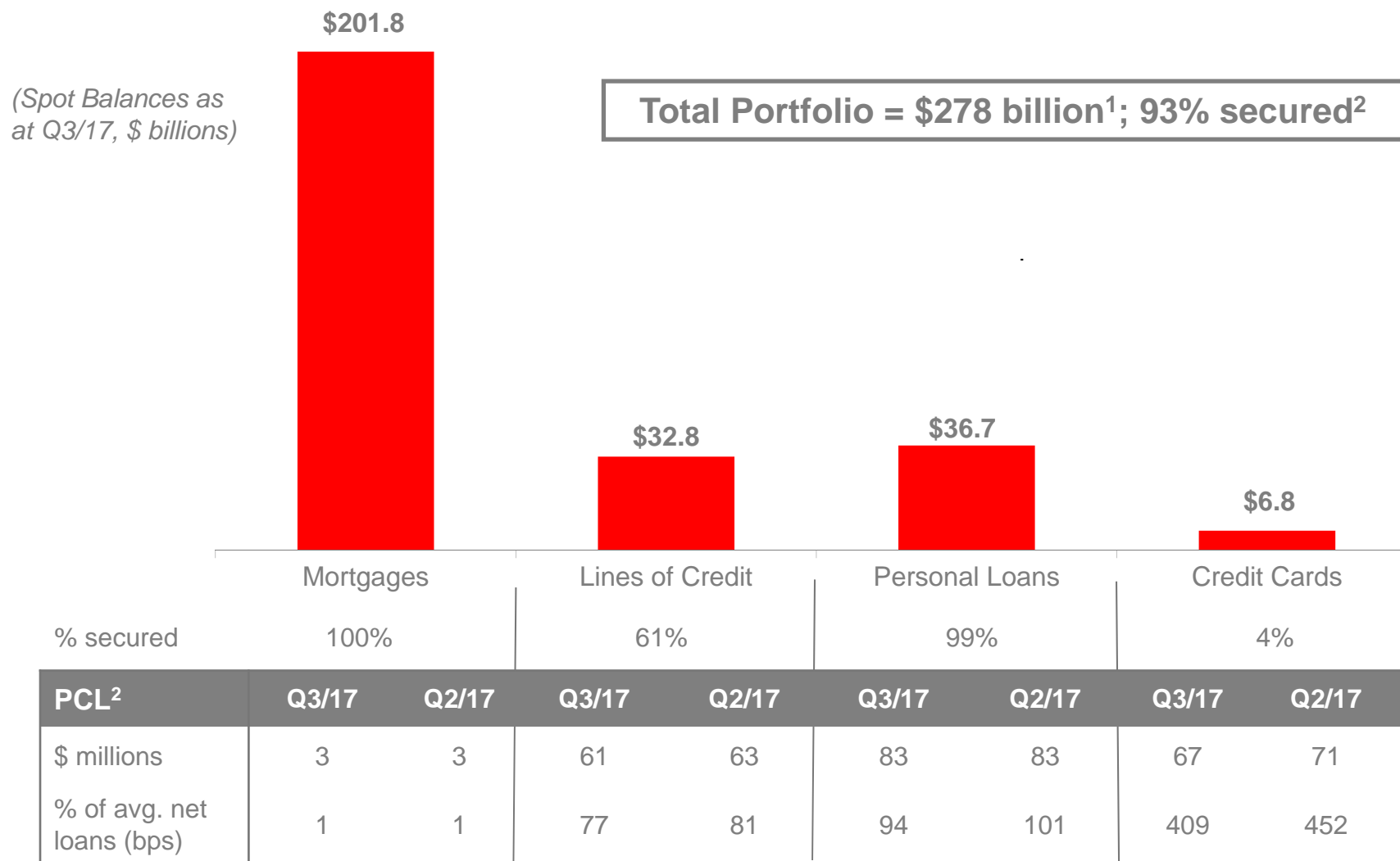
Canadian Residential Mortgage Portfolio

(Spot Balances as at Q3/17, \$ billions)



- (1) LTV calculated based on the total outstanding balance secured by the property. Property values indexed using Teranet HPI data.
- (2) New originations defined as newly originated uninsured residential mortgages and have equity lines of credit, which include mortgages for purchases, refinances with a request for additional funds and transfer from other financial institutions.
- (3) Some figures on bar chart may not add due to rounding.

Canadian Retail: Loans and Provisions



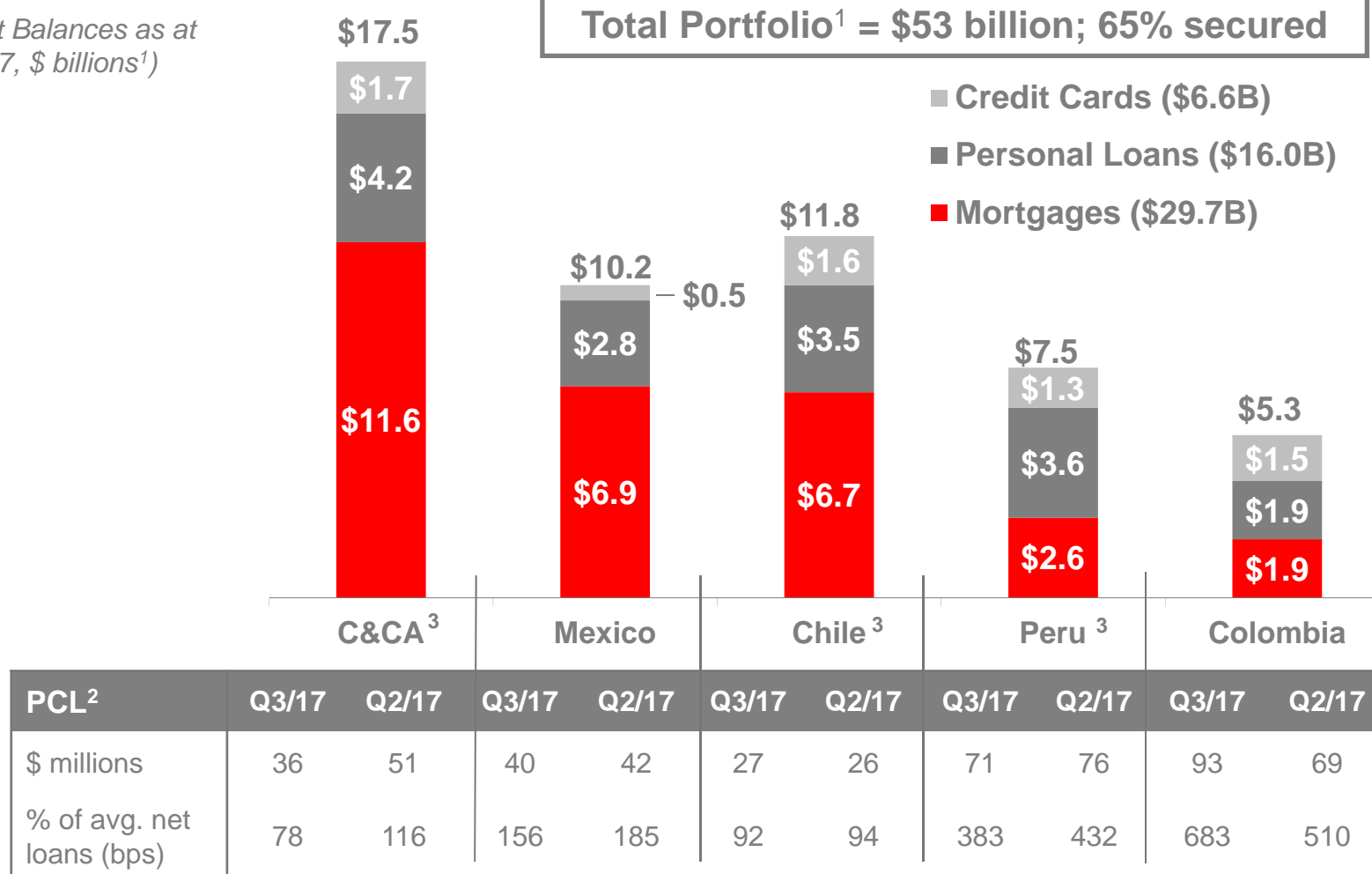
(1) Includes Tangerine balances of \$8 billion
 (2) 81% secured by real estate; 12% secured by automotive

International Retail: Loans and Provisions

(Spot Balances as at Q3/17, \$ billions¹)

Total Portfolio¹ = \$53 billion; 65% secured

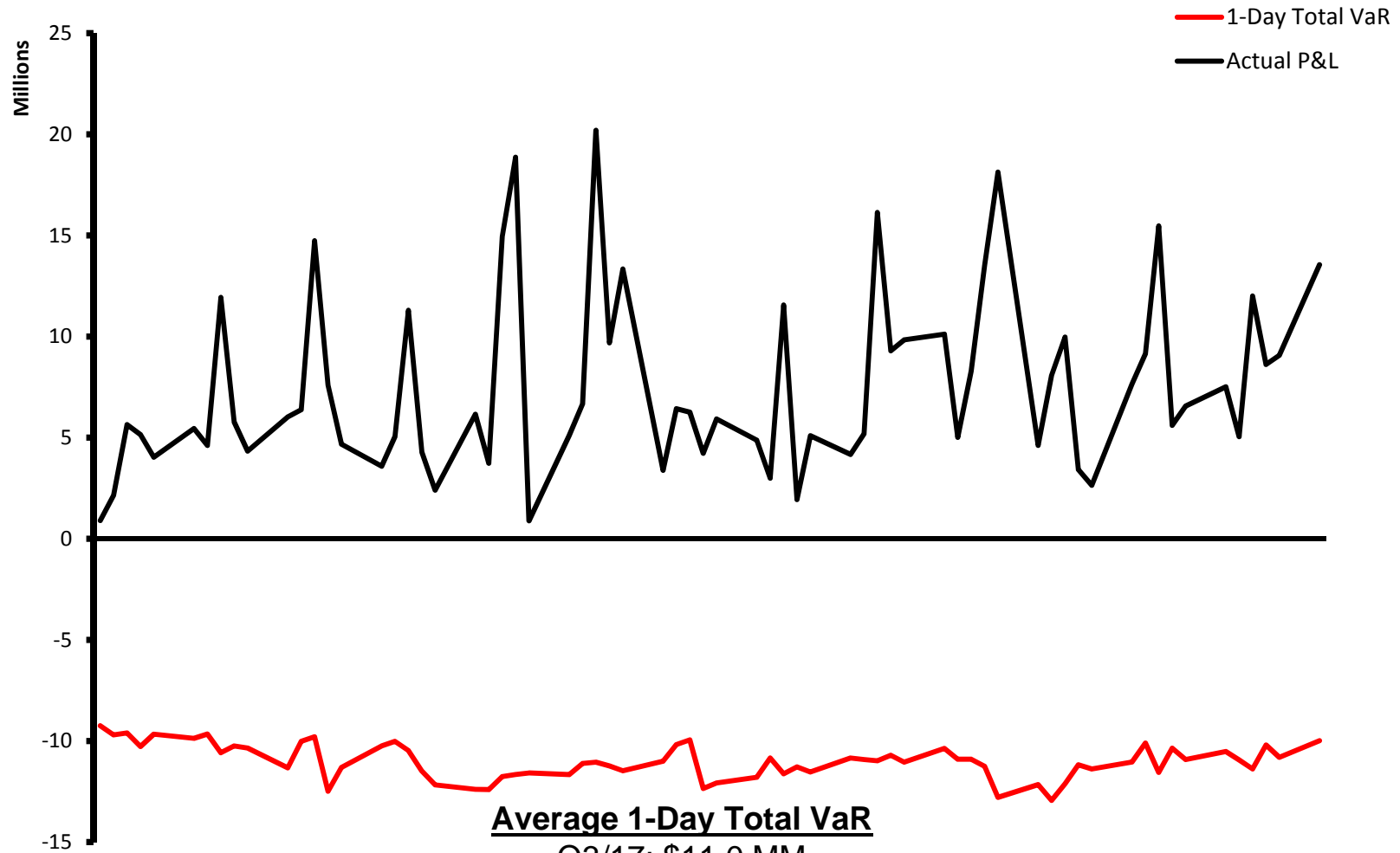
- Credit Cards (\$6.6B)
- Personal Loans (\$16.0B)
- Mortgages (\$29.7B)



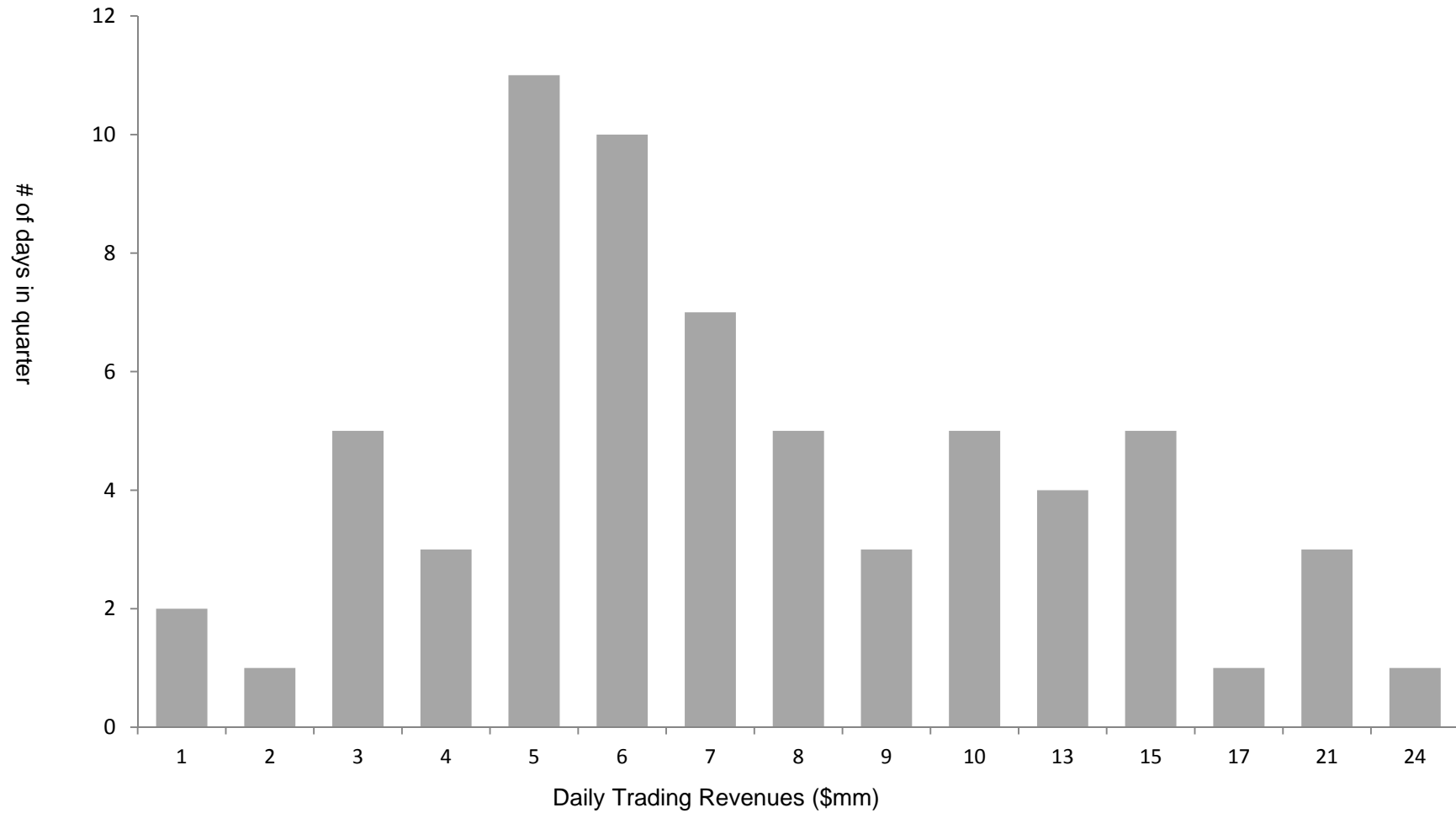
- (1) Total Portfolio includes other smaller portfolios
- (2) Excludes Uruguay PCLs of approximately \$13 million
- (3) Includes the benefits from Cencosud and Citibank net acquisition benefits. Excluding the net acquisition benefits, C&CA's ratio would be 119 bps for Q3/17 and 144 bps for Q2/17 and Chile's ratio would be 124 bps for Q3/17 and 130 bps for Q2/17



Q3 2017 Trading Results and One-Day Total VaR



Q3 2017 Trading Results



- No trading loss days in Q3/17

FX Movements versus Canadian Dollar

Currency	Q3/17	Q2/17	Q3/16	Canadian (Appreciation) / Depreciation	
				Q / Q	Y / Y
Spot					
U.S. Dollar	0.802	0.733	0.766	-9.5%	-4.7%
Mexican Peso	14.28	13.79	14.36	-3.5%	0.6%
Peruvian Sol	2.599	2.376	2.568	-9.4%	-1.2%
Colombian Peso	2,395	2,155	2,351	-11.1%	-1.9%
Chilean Peso	521.1	488.4	501.7	-6.7%	-3.9%
Average					
U.S. Dollar	0.758	0.751	0.772	-0.9%	1.7%
Mexican Peso	13.83	14.59	14.24	5.2%	2.9%
Peruvian Sol	2.474	2.447	2.559	-1.1%	3.3%
Colombian Peso	2,256	2,179	2,298	-3.6%	1.8%
Chilean Peso	504.1	491.2	519.7	-2.6%	3.0%

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