

SCOTIABANK TO ACQUIRE MD FINANCIAL MANAGEMENT AND ENTER INTO AFFINITY AGREEMENT WITH THE CANADIAN MEDICAL ASSOCIATION

INVESTOR PRESENTATION

May 31, 2018



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 2017 Annual Report under the headings “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; 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 2017 Annual Report) and updated by quarterly reports; 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; anti-money laundering; 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 2017 Annual Report.

Material economic assumptions underlying the forward-looking statements contained in this document are set out in the 2017 Annual Report under the headings “Outlook”, as updated by quarterly reports. 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.

SCOTIABANK TO ACQUIRE MD FINANCIAL MANAGEMENT (“MD”)

Acquiring a leading wealth management business and entering into a long-term collaboration to provide an excellent experience for the medical community

ATTRACTIVE BUSINESS AND CLIENTS

- Unique opportunity to build valuable wealth management market share and capture primary banking relationships in highly attractive HNW client segment
- Largest independent platform in the Canadian wealth management landscape with readily achievable standalone growth opportunities
- Strengthens Scotiabank’s Private Investment Counsel position in Canada, with Canadian Banking AUM to increase to \$230BN+ from the acquisitions of MD and Jarislowsky Fraser

LEVERAGING SCOTIABANK’S STRENGTHS

- Ability to deepen MD customer relationships through Scotiabank’s leading retail, small business and private banking products and services
- Leverage Scotiabank’s leading asset management capabilities and brand recognition (1832 Asset Management / Jarislowsky Fraser)
- Significant achievable synergies and value enhancement opportunities

MUTUALLY BENEFICIAL AGREEMENT

- Creates a meaningful long-term collaboration whereby the Canadian Medical Association (“CMA”) will exclusively promote Scotiabank as the preferred provider of financial products and services to physicians and their families in Canada
- Ongoing opportunity to attract new physicians, residents and medical school students, continuing MD’s approach of reaching clients early to develop long-term relationships with members

TRANSACTION HIGHLIGHTS

A strategically compelling opportunity uniting two leading organizations

PURCHASE PRICE

- Scotiabank will acquire MD for \$2.585BN in cash consideration
- Scotiabank to finance ~\$1.5BN of purchase price through share issuance

TIMING

- Transaction is subject to customary conditions and regulatory approvals
- Closing expected in fiscal Q4 2018

VALUATION & IMPACT

- P/(AUM & AUA): 5.3% ; EV/EBITDA: 9.7x ⁽¹⁾
- CET1 impact of -30 bps (pro forma the common share offering)
- EPS expected to be accretive by year 3 ⁽²⁾
- NIAT contribution of ~\$150MM by year 3 and ~\$250MM by year 5

STRUCTURE

- MD to operate as a distinct brand with its headquarters to remain in Ottawa
- Scotiabank and CMA will enter into a 10 year collaboration, where Scotiabank is the preferred provider of financial products and services to physicians and their families in Canada, and both parties jointly support philanthropic initiatives and other programs for the medical community
- Brian Peters will continue as CEO of MD and report into the Scotia Wealth Management segment of Canadian Banking

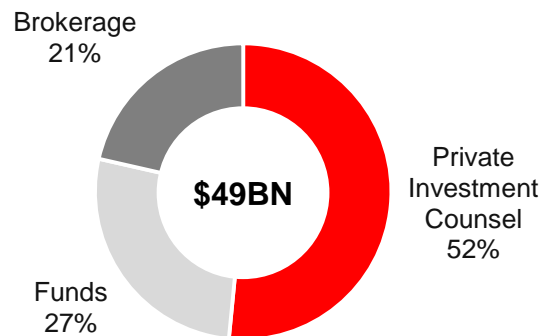
1. EBITDA is 2017 actual + year 3 run-rate synergies
2. Excludes integration and amortization costs

OVERVIEW OF MD FINANCIAL MANAGEMENT

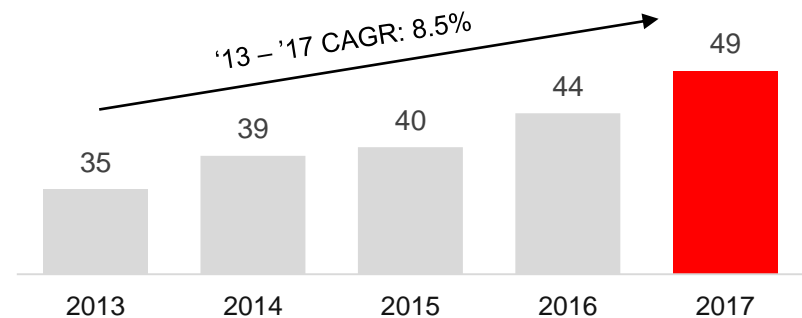
Largest Canadian non-bank Private Investment Counsel by AUM⁽¹⁾

- Established in 1969, MD Financial has a long history of providing specialized financial products and wealth management services to physicians, their families and their employees
- ~110,000 clients consisting of 45,000 physicians and 65,000 family members and employees
 - \$49 billion of AUM/AUA
 - 63% of assets from clients with \$1MM+ invested with MD
 - Fund flows have been positive every year over the past decade, including through the financial crisis
- Strong client satisfaction and retention rates
 - 94% client retention since 2013 and 80% of relationships are 10+ years in tenure
- ~350 advisors in 50 offices across Canada and ~1,150 employees in support functions

AUM/AUA by Segment (%) as of December 31, 2017



AUM/AUA (\$BN) as of December 31



1. Based on assets under management (Source: Investor Economics, Fee-Based Report Winter 2018)

OUR VISION FOR SCOTIABANK AND MD

Distinct brand enhancing value through collaboration and omni channel offering

▶ MD will operate as a standalone brand within Scotia Wealth Management

- MD’s senior executive management team is very strong and committed to the success of the MD business
- No disruption of the front office investment advisor population to maintain stability in client service levels and to facilitate client retention and continued growth
- Preserve MD’s client-centric approach to financial advice

▶ Significant and compelling value creation opportunities

- Opportunity to build the client base and service the financial needs of physicians at all stages of their careers

	Physicians	Family & Employees ⁽¹⁾	Total
<i>All Physicians in Canada</i>	125K	181K	306K
<i>Current MD Clients</i>	45K	65K	110K

- Scotiabank to leverage the leading investment management capabilities of 1832 Asset Management and Jarislowsky Fraser to deliver differentiated investment capabilities to MD clients
- Expand the breadth and depth of specialized financial advice for the physician community through adding Scotiabank’s complementary suite of products and services (wealth, small business and private banking, etc.)

MD Financial

- ▶ Financial Planning
- ▶ Objective Investment Management
- ▶ Estate & Trust
- ▶ Insurance



Scotiabank

- ▶ Credit Cards
- ▶ Small Business Banking
- ▶ Investments
- ▶ Lending
- ▶ Digital Innovation
- ▶ Student and Professional Banking
- ▶ Asset Management
- ▶ Estate & Trust
- ▶ Private Banking
- ▶ Global Footprint
- ▶ Philanthropy
- ▶ Sponsorship & Partnerships

1. Family & Employees figures based on actual MD physician to non-physician client ratio

AFFINITY AGREEMENT WITH CMA

Creating an enhanced experience for the medical community together

▶ Providing physicians with an exclusive financial products and services offering

- Scotiabank to invest \$115MM into the agreement to be used as agreed by the parties, including as part of CMA's 2020 mission of supporting the medical profession and delivering healthy outcomes for Canadians
- During the 10-year agreement, the CMA will exclusively promote Scotiabank as the preferred provider of tailored financial products and services to physicians and their families in Canada
- Leverage Scotiabank's extensive partnerships to support CMA member initiatives across education, sports & entertainment, digital and sponsorship spectrums

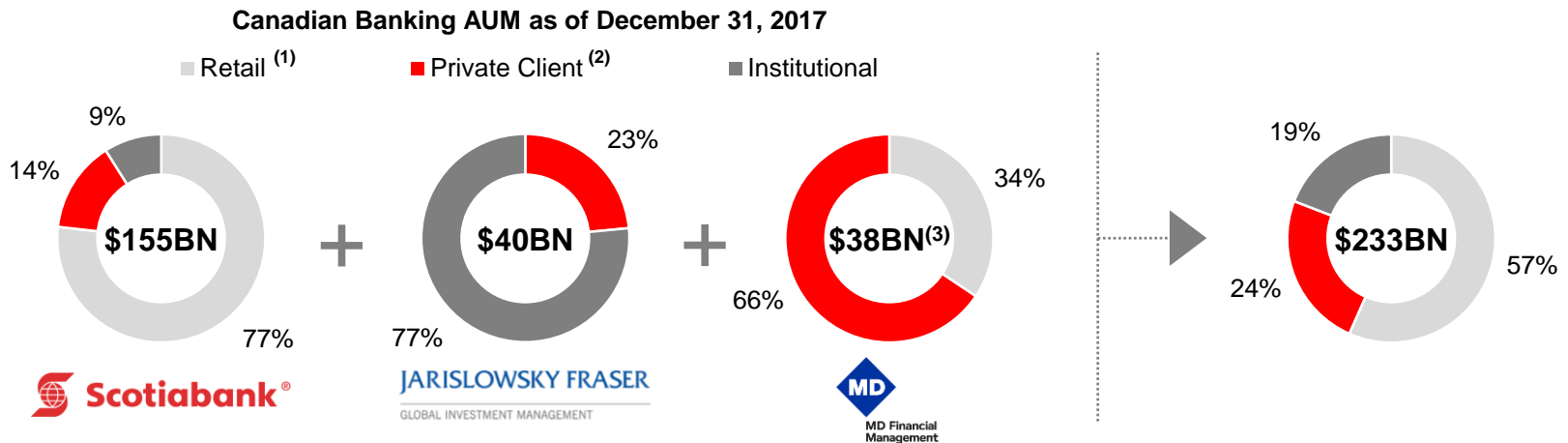
▶ More than a financial agreement ... a social commitment to physicians and communities

- Scotiabank views this agreement with the CMA as an extension of our strong commitment to corporate social responsibility

BUILDING A LEADING WEALTH PLATFORM

Acquisitions of Jarislowsky Fraser and MD Financial increase AUM ~50% and significantly improve business mix adding Institutional and Private Client AUM

- Building a powerful platform to broaden and deepen our presence across asset classes, clients and distribution channels in Canada and to continue growing these segments organically
- Well positioned to leverage enhanced asset management capabilities to better service our clients with the ability to choose purpose-built investment solutions to meet their unique needs
- Opportunity to bolster our leadership in serving the banking and investment needs of high-net-worth families



1. Retail includes mutual funds and pools distributed through affiliated bank and full service advice channels, as well as wholesaled through third-party advisors

2. Private Client includes Private Investment Counsel and Advisor Managed Discretionary Assets on behalf of HNW and UHNW Clients

3. Excludes ~\$10Bn of brokerage assets under administration

INVESTOR RELATIONS CONTACT INFORMATION

Adam Borgatti, Vice President

416-866-5042

adam.borgatti@scotiabank.com

Lemar Persaud, Director

416-866-6124

lemar.persaud@scotiabank.com

Judy Lai, Director

416-775-0485

judy.lai@scotiabank.com