Advice **Matters**

NEWCOMER EDITION

IN THIS ISSUE YOU'LL LEARN ABOUT:

ScotiaAdvice+

Scotiabank®

Welcome

I'd like to welcome you to Canada and Scotiabank.

We understand that settling in a new country is both an exciting and overwhelming time, with so many things to do – from transferring your work skills and finding a job to choosing a home in a community where you'll be happy. The goal of this special edition of *Advice Matters* is to provide you with important information on banking in Canada.

This publication covers seven key topics:

- Resources for new Canadians
- Financial basics
- Saving and investing
- Your children's future
- Home ownership
- Your car
- Mobile banking

Whether you're starting this new chapter of your life on your own or with your family, we hope the information provided will help make your move to Canada easier.

As you settle in, we'd love to talk.

At Scotiabank, we're here to make sure you get tailored and personalized advice that will help you reach your financial goals – today and well into the future. If you have any questions or need guidance, reach out to a Scotiabank advisor to schedule an appointment. Like you, many Scotiabank advisors have also moved to Canada from another country and can help set you on the right path to manage your finances with confidence.

You can get started now.

While we'd love to meet you in person, you can also visit the ScotiaAdvice+ Centre (scotiabank.com/adviceplus) to get advice, tips, tools and timely financial information. We're constantly adding new content, so make sure you check back frequently!

No matter where you are on your journey right now, we're here to support you.

So let's start a conversation about your better tomorrow.

Dan

Dan Rees
Group Head, Canadian Banking

ScotiaAdvice+ Scotiabank.

Advice Matters

Presented by

ScotiaAdvice+

A simple conversation today can help you reach your goals tomorrow.

In this issue you'll find

RESOURCES FOR NEW CANADIANS

FINANCIAL BASICS

SAVING AND INVESTING

YOUR CHILDREN'S FUTURE

HOME OWNERSHIP

YOUR CAR

MOBILE BANKING

Scotiabank®

RESOURCES FOR NEW CANADIANS

Advice+ from Scotiabank

A new way to collaborate, plan and keep you headed in the right direction. We get to know you better to guide you better – today and tomorrow.

Advice+ involves three steps.

1. A conversation

We start with your story. It starts with a simple conversation to get to know you better – where you are and where you want to be. We want to understand your money goals, but also your life goals.

2. The steps to get you there

Together, we create an easy-to-understand roadmap – tailored just for you. Your life has many moving parts, so we'll create a financial plan that looks at everything – the big and small, as well as your short- and long-term goals. We'll also recommend helpful tools that can make you feel more confident about managing your money.

3. Confidence you'll make it

Your life doesn't stay the same for long, so we'll help you adjust your plan to help you stay on track and meet your goals. And along the way, you'll get insights from us to help you get the most out of your money. Anytime you need to talk, we're here.

It all starts with a simple conversation

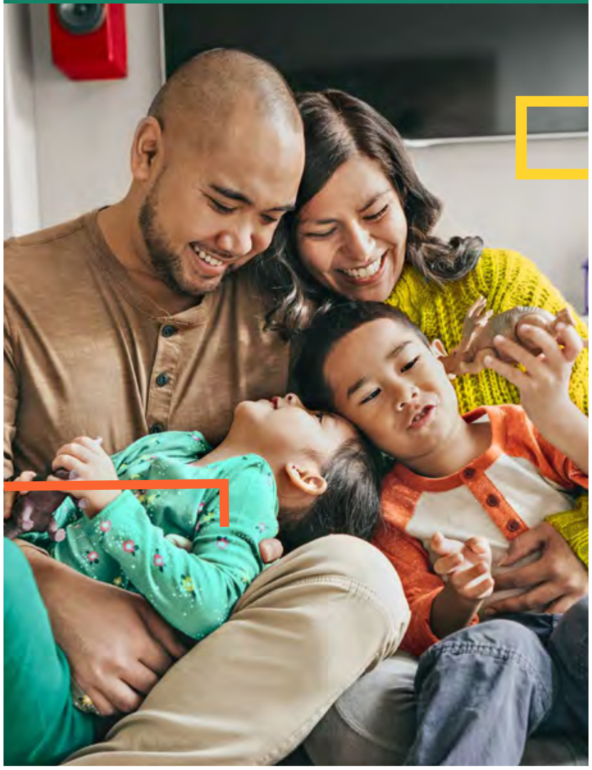
- Book an appointment with an advisor today

or

- You can also visit scotiabank.com/adviceplus for quick tips and insights and to learn more about Advice+.

RESOURCES FOR NEW CANADIANS

Getting settled in Canada: Checklist for newcomers



Whether you've come to study, work, or start a new life for yourself, Canada is a great place to live. It's a diverse country with lots of opportunity – but there's also plenty to adjust to as a newcomer.

Our newcomers' checklist that follows can help you navigate your first few months living in Canada.

Open a Canadian bank account

You can do some initial research on the Canadian banking industry by visiting the Canadian Bankers Association (CBA) website. Once ready, book an appointment with a multilingual Scotiabank advisor to discuss which bank account would work best for your needs.

Get a SIN card

You need a Social Insurance Number (SIN) to work in Canada and get access to government benefits. All family members (even children and infants) should apply for one on arrival. For more information, visit the Government of Canada website at Canada.ca, Social Insurance Number – Overview.

Get a health card

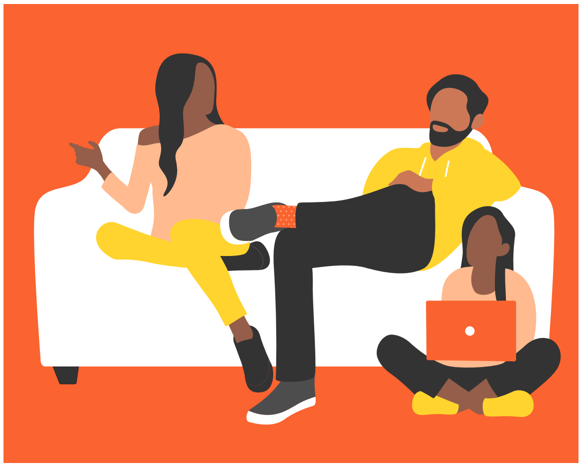
All permanent Canadian residents are eligible for government-subsidized medical care. You should apply for a health card as soon as you arrive in Canada. Each member of the family, including infants, must have their own health card. Apply by contacting the Ministry of Health in the province or territory where you live. For more information, visit the Government of Canada website at Canada.ca, Learn about health care in Canada.

Start building your Canadian credit history

Building good credit in Canada can help you save money on interest rates and get approved more easily for things like cell phones, lines of credit and car loans. A credit card is a good way to build your credit history in Canada. Refer to the article *Everything you need to know about credit* on page 14 for more information. Book an appointment with a multilingual Scotiabank advisor to discuss which credit card would work best for your needs.

Secure housing

For most newcomers, your first home will likely be a rental house or apartment. The Canadian Mortgage & Housing Corporation (CMHC) can help you learn more about your rights as a tenant in Canada. For information on renting versus buying in Canada, refer to the article *Thinking about renting vs. buying a home?* on page 29.



Enroll kids in school

Public education is paid through your taxes and is therefore free and available to every child in Canada. You will need to pre-register your children (ages 5 to 17) as soon as you arrive at the school or school board office in your area. For more information, visit the Government of Canada website at Canada.ca, Learn about education in Canada.

Use the free support services available to you

Canada has many immigrant-serving organizations that help newcomers settle into life in Canada. They can help with things such as learning basic English or French, supporting you in securing housing or helping you find a job. Find free newcomer services near you at the Government of Canada website at Canada.ca, Find free newcomer services near you.

Get your education and work credentials assessed

If you're immigrating to Canada as a Federal Skilled Worker, coming to work in specific professions or trades, or coming to study, you will need to have your existing education, work experience or professional credentials assessed. For more information, visit the Government of Canada website at Canada.ca, Get your credentials assessed in Canada.

Get a driver's licence

Your foreign driver's license is only valid for a limited time after arriving in Canada. You may need to pass a written examination and one or two driving tests to qualify for your Canadian driver's licence, depending on the rules in your province. For more information, visit the Government of Canada website at Canada.ca, Driving in Canada.

Improve your English and French

If you're a permanent resident you can take free language classes in Canada. These are provided by the Canadian government. You will need to get a formal language assessment before registering. For more information, visit the Government of Canada website at Canada.ca, Language classes funded by the Government of Canada.

Build your network in Canada

To help settle easier into Canada, building your social network is helpful. Joining Canadian newcomer social media groups, volunteering, attending community events, in addition to joining a professional association, will help. Many Scotiabank advisors have moved to Canada from another country and can help give you advice on building your network.

Simplify your banking with the *Scotiabank StartRight*® Program[1] for newcomers

The *Scotiabank StartRight* Program can help you start banking in Canada with access to credit, savings, no-fee international money transfers and more.

To learn more about the *Scotiabank StartRight* Program, schedule an appointment with a multilingual Scotiabank advisor today.

To learn more about the steps you can take to reach your financial goals, visit the ScotiaAdvice+ Centre at scotiabank.com/adviceplus. Here you'll find timely financial information, advice, tips and tools to help you become better off today and tomorrow.

[1] *Scotiabank StartRight* Program, created for Canadian Permanent residents from 0–3 years in Canada, International Students and Foreign Workers.

FINANCIAL BASICS

Why financial advice is so important

Let's face it: We all could use a little advice from time to time – especially when it comes to our finances.

While there's certainly no shortage of financial advice in today's digital age, making sense of all the information and determining what applies to you can be overwhelming.

As we get a bit older, our lives get much more complex. We find ourselves planning for a variety of events, such as the purchase of a home, a child's education, a parent's elder care or a possible career change.

Additional complexities could be introduced with second marriages, unique living arrangements, a changing job market – or even a global pandemic. Against this backdrop, financial advice has become more important than ever.

DID YOU KNOW?

What types of advice Canadians are most interested in receiving?[1]

51%	Advice on investments
45%	Help saving for retirement
33%	Quick tips to help improve financial situation
31%	Saving for an emergency or reduction in income
25%	In-depth review of financial situation (e.g., a financial plan)
25%	Saving for a large purchase (e.g., an automobile, vacation)

[1] Source: Scotiabank, Advice Blueprint – The Sequel, A closer look at channel preferences and financial advisor best practices, August 2020.

Key benefits of financial advice

There are a number of important reasons for choosing to seek professional advice.

A financial advisor can help you by:

- Providing objective insights into your finances
- Putting in place a comprehensive financial plan to meet your goals
- Building up your wealth through better savings behaviour and increased financial knowledge
- Monitoring and updating your long-term savings strategy to build for a comfortable retirement
- Ensuring your investments are diversified in order to lower your risk
- Selecting tax-efficient investments to help you keep more of your money
- Preparing you for unexpected events, such as job loss or disability
- Helping to prevent emotional investing decisions, especially during periods of market volatility

THE BOTTOM LINE: WORKING WITH A FINANCIAL ADVISOR HELPS YOU INCREASE YOUR WEALTH[2]

Research has shown that households working with a financial advisor accumulate more assets than those that don't – and the longer they work with an advisor, the more their savings will grow.

Consider the following research:
Versus non-advised households, the average household **with** a financial advisor accumulated:

- **1.8 times** more financial assets over 4 to 6 years
- **2.1 times** more assets over 7 to 14 years
- **2.3 times** more assets over periods greater than 15 years

Canadian households with a financial advisor accumulate more financial assets *versus* comparable non-advised households

[2] Source: More on the Value of Financial Advisors, Claude Montmarquette, Alexandre Prud'Homme, CIRANO 2020.

DID YOU KNOW?

According to recent Scotiabank research on Canadians working with a Financial Advisor:

81% Are confident in the advice they receive from their advisor[3]

76% Feel empowered and knowledgeable/optimistic about the future of their finances after speaking with their advisor[4]

64% Indicate the advice they receive from their advisor has made them better off financially than if they would have managed their money on their own[5]

[3,4,5] Source: Scotiabank, Consumer Confidence, Saving, Investing & Advice, 2020 Investment Poll (COVID-19 wave, July 2020).

The best advice starts with a conversation

Scotiabank advisors are highly qualified with experience in financial planning to work with you to create a financial plan that's right for you and evolves with you – answering your questions, providing advice and updating your financial plan along the way to help you achieve your goals. You'll also have access to additional resources and advice as Scotiabank advisors work with range of specialists across the bank.

Book an appointment with a Scotiabank advisor at 1-866-698-5927, or visit scotiabank.com/GetAdvice to meet some of our advisors and to learn about the wide range of topics you can discuss with them – from savings and investments to budgeting for you and your family and planning for retirement.

For more information on managing your finances in Canada, have a look at these articles:

→ 5 reasons to start your financial plan today

→ 5 keys to your financial well-being

FINANCIAL BASICS

How to work with a Canadian financial advisor

While there are many unknowns when moving to a new country, there are a number of resources in Canada to help you and your family succeed.

When you set up a bank account at Scotiabank, you will have access to a financial advisor who will help you navigate the Canadian financial system and reach your personal financial goals.

Here are four tips on how to get the most out of your financial advisor meetings.

1. Don’t be afraid to ask questions

As a newcomer, some parts of the Canadian financial system may be new to you. It’s important that you understand the accounts and investments that your advisor recommends and how they work with your financial plan. If you have any concerns or don’t understand something, always ask for clarification. Your advisor is there to answer your questions.

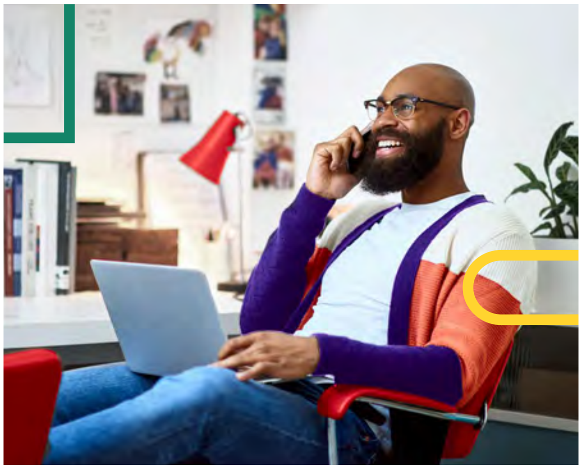
Before you attend a meeting with your financial advisor, take some time to review your financial goals and make note of key items you want to discuss. To help answer some of your initial questions about banking in Canada, visit the Scotiabank New to Canada website at scotiabank.com/startright, which answers commonly asked questions, such as how to secure a Canadian bank account and how to send money to and from Canada.

When you attend any follow-up meetings with your advisor, remember to bring all relevant paperwork, including recent account statements, budget plans and relevant tax forms.

2. Become an informed investor

Always continue to learn and improve your knowledge of the Canadian financial system. Make sure you read documents that you receive about your accounts and investments. As a newcomer there will be new investment opportunities for you to consider such as a Tax-Free Savings Account (TFSA), Registered Retirement Savings Plan (RRSP) and High Interest Savings Account (HISA).

Your advisor will direct you to helpful resources to help build your knowledge base. Scotiabank's investment account fees at a glance is a great resource to help understand the costs associated with your new investments.



3. Stay involved

Stay on top of your finances by keeping a file of your account statements, tax slips and any other related Canadian documents. Take some time to review your statements when you receive them. Remember that if you have any concerns or questions, contact your advisor – they are there to help you.

4. Keep your advisor informed of changes

Just like you would tell your dentist if you're having tooth pain, you need to keep your advisor informed about changes in your personal or financial circumstances. Major life changes – such as marriage, the birth of a child, divorce or the death of your spouse – can profoundly impact your financial outlook. Keep your advisor updated so that he or she can make necessary adjustments to your financial plan.

3 steps to starting a financial plan with your advisor

One major benefit of working with a financial advisor is that they can help you create a Canadian financial plan.

A financial plan is like a customized roadmap for your financial future, and with the help of an advisor, considers major aspects of your life to help you achieve goals such as buying your first home in Canada or retirement. This is an important step in achieving long-term financial success and stability in Canada. Here are three steps to get started:

Calculate your net worth

List out all your assets (for example, your current savings, paid off car etc.) and liabilities (any debt). This is an important step in understanding your current finances and reaching your goals.

Establish a budget

Where does all your money go? Tracking spending can be a bit daunting, especially as you are familiarizing yourself with a new financial system in Canada. To help you get started, try out the **Scotiabank Money Finder Calculator.**

Set your goals

Are you saving for your first home in Canada or funding your child's education? The financial plan that you build with your advisor will be personalized to you, based on your unique goals and stage in life.

Remember, when in doubt ask questions. Your financial advisor is there to help you navigate the Canadian financial system and ultimately succeed in your new home.

FINANCIAL BASICS

Everything you need to know about credit

Now that you're in Canada, you may have started hearing a lot about "credit." Obtaining "credit" allows individuals to obtain goods or services before paying for them, with an understanding that it will be paid for later.

A credit card, which is issued by a bank, is the most common method of paying for goods or services on credit. Many banks require that a person have a credit history before approving them for a credit card, which can put some newcomers at a disadvantage. **A credit history refers to your payment history and your ability to consistently pay your credit card bill, and any other bills, on time.**

Why do I need to build my credit history in Canada?

When you apply for credit in Canada, lenders will normally check your credit history to help with their decision as to whether to give you credit.

Building good credit could help you save money on interest with lower interest rates and get approved more easily for things like cell phones, lines of credit and car loans.

The *Scotiabank StartRight*® Program[1], however, offers you the chance to obtain your first credit card without providing a credit history beforehand. This will help get you started on building your credit in Canada. What's more, if you set up your banking through the *StartRight*® program, you can bank without monthly account fees and get up to $5,000 in a credit limit on a Scotiabank credit card![2]

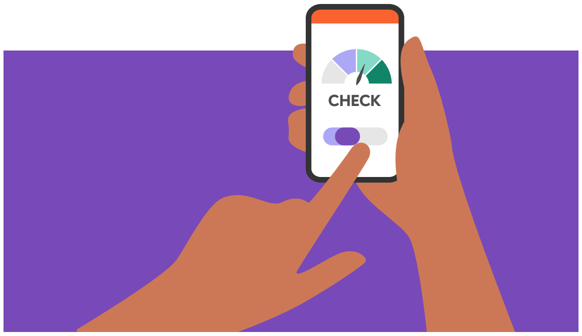
Which credit card should you apply for?

Before applying for a credit card, it's important to decide which type of card will suit your needs. Some credit cards have low annual interest rates (less than 19.99% on purchases), while others may have low or no annual fees. Other cards offer rewards or incentives when you use them to pay for everyday purchases. In Canada, rewards can come in a variety of formats like points, travel miles or cash back. Whatever the format, rewards typically give you some sort of benefit for using your credit card to make everyday purchases.

What is a credit score?

Once you've been approved for a credit card, it's important to use it responsibly in order to build a good credit score.

A credit score is a number that represents your financial health at a specific moment in time. **It indicates how risky you are to money lenders, and how likely you are to pay your bills on time**. In Canada, your credit score generally falls between 300 and 900, **and the higher the better**.



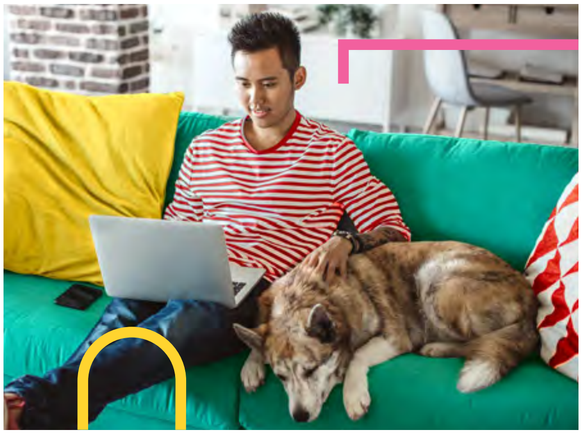
There are many factors within your control that impact your credit score.

- **Payment history** refers to how consistently you pay your credit card bill, and any other bills, on time. Paying off your bills in full, by their due date, is the best thing you can do to increase your credit score. In all cases you should ensure you pay at least your minimum payment by the due date. Payment history is the most important part of your credit score.
- **Account activity**, such as opening new and multiple credit accounts in a short period of time, can negatively affect your credit score. Try to apply for credit only when you need it, such as when you arrive in Canada.
- **Length of credit history** makes up about 15 per cent of your total score. In general, the longer you use a credit card and ensure you make payments on time, the better it is for your score.

It's important to keep in mind that too many credit checks can also lower your credit score. Whenever a money lender asks for access to your credit score, it is recorded on your credit report. Multiple or recent inquiries may give lenders the impression that you need credit urgently or aren't budgeting your money well enough.

TIPS FOR BUILDING A GOOD CREDIT SCORE

- Get a credit card and use it responsibly to build your credit history
- Always pay your bills on time
- Try to pay your bills in full whenever possible
- Don't spend more than your credit card allows
- Limit yourself to just one or two credit cards
- Read your monthly account statements to ensure they're correct – and report any errors as soon as possible
- Know your credit score



Scotiabank has a wide range of credit cards for newcomers. A Scotiabank advisor can help you decide which one may be right for you.

[1] *Scotiabank StartRight* Program, created for Canadian Permanent residents from 0–3 years in Canada, International Students and Foreign Workers.
[2] Conditions apply. Subject to credit approval.

For more information on credit in Canada, have a look at these articles:

→ Credit: Step-by-step introduction to credit, credit scores, credit cards and more
→ Why you should find out your credit score
→ Establishing a healthy financial life in Canada
→ Start earning rewards with your credit card

SAVING AND INVESTING

Getting started on saving and investing: A brief how-to guide

As you set out on your journey to begin saving and investing to meet your financial goals, you'll need to determine which products and/or investment strategies are right for you and your financial situation.

To determine the most appropriate savings and investing options, begin by asking yourself these three key questions:

- What are you saving or investing for?
- What is your time horizon to reach your goal?
- What is your risk tolerance?

DID YOU KNOW?

An RRSP and TFSA are investment vehicles, while GICs and mutual funds are investment products you hold within these vehicles.

The following is a brief, high-level guide to get you started on choosing which investment options align with your goals and timelines:

	TIME HORIZON	EXAMPLE OF FINANCIAL GOAL	RECOMMENDED OPTIONS
Short-term goal	Less than 3 years	• Contributing to an emergency fund • Saving for a car • Saving for a vacation	• Savings accounts • Short-term Guaranteed Investment Certificates (GICs) • Cashable savings bonds
Medium-term goal	3 to 5 years	• Saving for a down payment on a house • Saving for a major home renovation	• GICs • Tax-Free Savings Account (TFSA) • Mutual Funds
Long-term goal	5+ years	• Contributing to a retirement nest egg • Funding your children's education • Saving for a cottage or investment property	• Registered Retirement Savings Plan (RRSP) • Tax-Free Savings Account (TFSA) • Mutual Funds • Registered Education Savings Plan (RESP) • Long-term GICs

YOUR RISK TOLERANCE – A KEY FACTOR IN DETERMINING HOW YOU'LL INVEST YOUR MONEY

Your risk tolerance, or risk appetite, is the amount of risk you're willing to accept when investing and your financial ability to handle loss. Having a clear understanding of your risk tolerance will help you determine which investments are appropriate and which to avoid.

Many investments offer the potential for a higher rate of return but also involve some level of risk. More risk may be acceptable if your financial goal is longer term, which will allow for more time to recover any financial losses.

Your Scotiabank advisor can help assess your risk tolerance and build an investment plan tailored to address your unique needs and comfort level.

BASICS OF SAVING AND INVESTING OFFERINGS – FREQUENTLY ASKED QUESTIONS

High-Interest Savings Accounts (HISAs) vs. Guaranteed Investment Certificates (GICs)

What are they?

HISAs usually earn more than a typical savings account, helping you increase your savings over time. How much interest you earn depends on the financial institution, but typically, the higher your balance or the longer you keep your money in the account, the more interest you can earn.

GICs work similarly to savings accounts, as you can earn interest on your funds **without the risk of losing your original principal investment**. However, unlike many savings accounts, GICs are not meant to be touched for a set amount of time. GIC terms range from 30 days to 10 years, so you can choose the option that works best for your investment goals. GICs usually require a minimum deposit between $500 and $1,000.

How much do I have to invest?

If you have a **large sum of money to inves**t, a GIC will usually help you earn a better interest rate than a savings account. However, it's important to keep in mind that there are penalties for early withdrawal, so you have to be certain that the money invested in a GIC won't be needed for the entire term of the certificate.

If you want to make **ongoing contributions to your investment**, then a HISA might be the more appropriate option. You can continuously add to your savings as long you hold the account.

Visit scotiabank.com to learn more:

- High Interest Savings Account (HISAs)
- Guaranteed Investment Certificates (GICs)

RRSP vs. TFSA

RRSP and TFSA: What are the main benefits and key differences?

Essentially, both the Registered Retirement Savings Plan (RRSP) and the Tax-Free Savings Account (TFSA) let you shelter your investment returns from taxes.

An **RRSP** is an investment that helps you grow your retirement savings. One of the main benefits of an RRSP is that **you defer paying taxes on the money you contribute and any investment income earned**, until years later when you withdraw your money in retirement.

A **TFSA** is a relatively new investment vehicle that was introduced in 2009. It can be used to save towards retirement, but also many other goals because, unlike an RRSP, you're free to **withdraw funds at any time without penalties**. The main benefit of a TFSA is that **they are completely tax free**. Since you've already been taxed on the money you put into your TFSA, any income you earn from the investments within your TFSA is tax free, even when withdrawn from the account.

What type of investments can I hold in an RRSP or TFSA?

Generally, the same types of investments are permitted in both. There are a wide variety of options to choose from, including cash, guaranteed investment certificates (GICs), exchange-traded funds (ETFs), mutual funds, stocks and bonds.

Visit scotiabank.com to learn more:

- Registered Retirement Savings Plan (RRSP)
- Tax-Free Savings Account (TFSA)

THE MOST FREQUENTLY HELD INVESTMENT PRODUCTS AMONG CANADIAN INVESTORS

- 89% **Mutual funds**
- 69% **Stocks**
- 54% **Guaranteed Investment Certificates** (GICs)
- 29% **Exchange-traded Funds** (ETFs)
- 23% **Bonds**

Source:
Ipsos Canadian Financial Monitor (12 months ending August 2021).

Mutual Funds

What is a mutual fund?

A mutual fund is a **professionally managed investment** that pools money from different investors to invest in a variety of stocks, bonds, short-term money market instruments or other securities.

Mutual fund investors get the benefit of diversification and having a professional manager reviewing their investment on an ongoing basis. Their investment knowledge can be an invaluable resource, especially for many investors, who simply don't have the time or investment expertise to micro-manage their investments.

Visit scotiabank.com to learn more:

- Scotia Portfolio Solutions
- Scotia Aria® Retirement Program

The various savings and investment choices mentioned have their own unique benefits, and to maximize their effectiveness, your personal circumstances, time horizon and risk tolerance should be considered. A Scotiabank advisor can recommend options and help you choose an investment strategy that works best for you.

For more information on setting long-term financial goals, have a look at this article:
→ Establishing savings goals

SAVING AND INVESTING

Investing with a "PAC" mentality

Pre-Authorized Contributions (PACs) make investing for long-term goals easy and affordable.

Looking for an easy and convenient way to start building up savings for retirement? With Pre-Authorized Contributions (PACs), you choose the amount you'd like to contribute, and how often – and you make adjustments at any point in time!

The beauty of a PAC is that it's automatic. Just choose the amount you want to save and how often you want to save it – for instance, weekly, biweekly or monthly. Once it's set up, you'll be saving money without even thinking about it.

PAC BENEFITS

Helps you stick to your plan

When it comes to saving, it's sometimes easy to get sidetracked. A PAC allows you to make saving priority number one by ensuring you never forget your plan.

Minimizes scrambling to meet RRSP contribution deadline

With a PAC you'll save automatically for your Registered Retirement Savings Plan (RRSP) – all year round – and avoid the stress of meeting the RRSP deadline and making a yearly lump-sum contribution.

Eliminates the guesswork of when to invest

Research has shown that investing on a regular basis is much more effective than trying to "time the markets"– especially during periods of volatility. See the section that follows, "PACs – Making the Most of Market Volatility."

Works with almost any budget

With a PAC, you determine what you can afford to save. Get started with as little as $25 per month.

Takes advantage of potential compound growth

Saving over a longer period of time allows your money more time to grow and to benefit from compound growth.

QUICK FACTS[2]

Contributing to long-term investments (e.g., for retirement) continues to be the most important financial priority for Canadians[1]

60% of Canadians save money on a monthly basis

Savings put away each month

$100 or less	28%
$101 to $500	44%
More than $500	28%

[1] Scotiabank, Scotia Global Asset Management Investor Sentiment Research, Fall 2021.
[2] Source: Scotiabank Investment Poll, 2021.

"PAC" IT UP – CONTRIBUTE MORE AS YOU EARN MORE

As you get older, it's likely your cash flow will improve. While Canadians are saving on a monthly basis, many forget to adjust their plan as their financial circumstances change. It's a great idea to revisit your PAC contributions on a regular basis – especially after major changes, like paying off student debt or landing a promotion. While it's tempting to just set it and forget, you'll be amazed by how much more you can save by increasing your contributions – even a little bit.

In the graph below, we look at an investor who contributes $200 monthly for 15 years versus the same investor increasing their monthly contribution by just $25 each year.

PAC contribution over 15 years

$200 monthly
$53,181

$200 monthly plus
$25 increase each year
$93,713

Over a 15-year period, the difference is over $40,000!

For illustrative purposes only. The example uses a hypothetical rate of return of 5%, assumes reinvestment of all income, compounded annually and does not include transaction costs, fees, or taxes. The example does not reflect actual results or the returns or future value of an actual investment.

MAKE IT BI-WEEKLY AND SAVE EVEN MORE

Changing your contribution from a monthly basis to bi-weekly can really add up. You may be making bi-weekly mortgage payments. Do the same with your savings. It's a small change, but the benefits can add up.

The example below underscores the savings advantage provided by bi-weekly contributions over a 20-year period.

Monthly vs Bi-weekly contribution

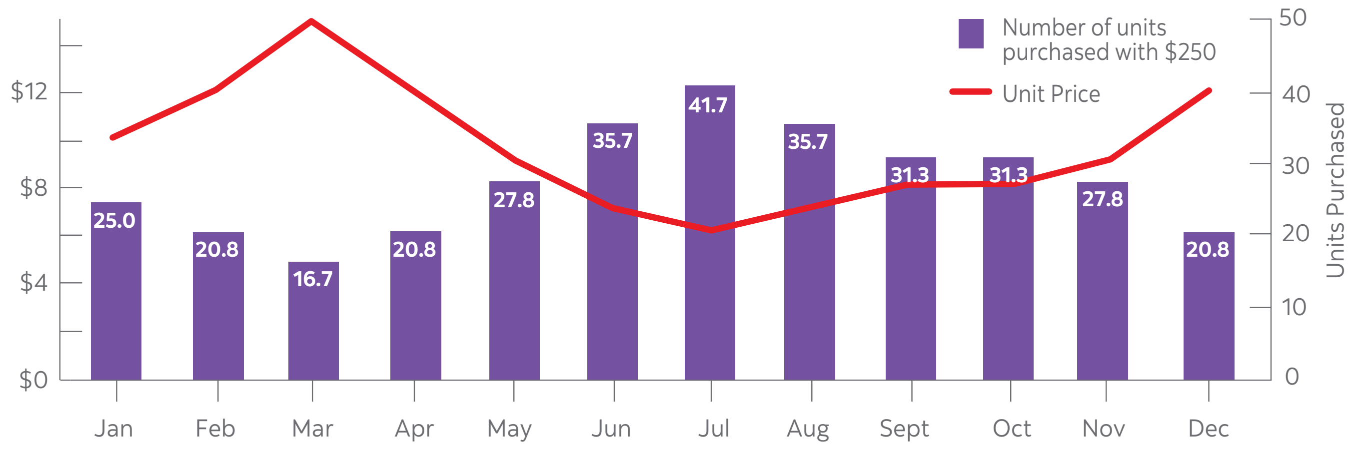
$200 a month
(20-year period)
$81,492

$100 bi-weekly
(20-year period)
$88,186

Almost $7,000 more when saving on a bi-weekly basis.

For illustrative purposes only. The example uses a hypothetical rate of return of 5%, assumes reinvestment of all income, compounded annually and does not include transaction costs, fees, or taxes. The example does not reflect actual results or the returns or future value of an actual investment.

GET MARKET VOLATILITY WORKING FOR YOU



For illustrative purposes only and does not represent the performance of an actual mutual fund.

PACs – MAKING THE MOST OF MARKET VOLATILITY

Market swings often make it difficult for investors to determine exactly when to invest – especially when trying to invest one lump sum each year. However, with PACs you can invest a fixed-dollar amount at regularly scheduled intervals. By contributing on a regular basis, you take advantage of the market dips by purchasing more fund units when your dollar goes farther and in turn, lowering your average cost.

The graph above illustrates regular monthly contributions of $250 at the beginning of each month. As the unit price fluctuates from month to month, the quantity of units purchased also changes (when the unit price is lower, more fund units are purchased: when the unit price is high, less funds are purchased).

Your Scotiabank advisor can help

Investing on a regular basis through Pre-Authorized Contributions is a great way to build your savings easily and automatically.

To see how quickly your savings can grow, visit scotiabank.com/PAC and try out our interactive PAC video.

Speak with a Scotiabank advisor to set up a PAC that meets your needs.

Commissions, trailing commissions, management fees and expenses may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed or insured by the Canada Deposit Insurance Corporation or any other government deposit insurer, their values change frequently and past performance may not be repeated.

YOUR CHILDREN'S FUTURE

Are you maximizing your RESP?

From saving automatically to taking advantage of government grants, don't leave money on the table.

Whether your child is just learning how to crawl or starting to master their times tables, you're probably thinking a lot about what their future will look like.

Your child will likely be interested in some form of post-secondary education – be it college, university or an apprenticeship. That's why it's essential to start planning for the costs of education now.

But higher education can be expensive. **The average annual cost of post-secondary education in Canada is $19,499.**[1] So, how can you help your child afford to continue their education? Enter RESPs, a smart and ideal way to fund a child's future ambitions.

LET'S START WITH THE BASICS: WHAT IS AN RESP?

A Registered Education Savings Plan (RESP) is the most common education savings vehicle. It allows parents, grandparents, family and friends to save towards a child's post-secondary education.

Although RESP contributions are not tax deductible, they allow savings to compound and grow tax-efficiently until the beneficiary/child is ready for college or university.

FREQUENTLY ASKED QUESTIONS

How much can I contribute to an RESP?	You can make contributions of up to a lifetime maximum of **$50,000 per beneficiary** (i.e., your child or whoever the RESP is set up for).
What types of RESPs can I chose from?	There are options: → A **family plan** to pool contributions for one or more children in the same family until age 31 → An **individual plan** to name one beneficiary without age or relationship restrictions (it can even be yourself)
Are my RESP contributions tax deductible?	Contributions are **not tax-deductible**, but the investment income earned inside the plan is tax-deferred until you withdraw it. When the funds are taken out of the RESP as an **Education Assistance Payment** (EAP), the investment income and grants are considered taxable income to the beneficiary. Your child, or beneficiary, will need to make sure they include this amount as part of their income in the year it is withdrawn.
How can I make an RESP contribution?	You can deposit a **lump sum** or arrange to have **Pre-Authorized Contributions** (PACs) taken from your bank account on a regular basis. To see how quickly your savings can grow, visit scotiabank.com/PAC and try out our interactive PAC video.
What if my child decides not to pursue a post-secondary education?	You have several options: → You can name **another beneficiary**, if certain conditions are met. → You can make a **tax-free withdrawal** of your original contributions, but any grants and bonds received must be returned to the government. → You may be able to **transfer up to $50,000 of the investment income**, tax-free to your Registered Retirement Savings Plan (RRSP) or your spousal RRSP, if you have enough contribution room available. Plus, you can also withdraw the investment income as cash (which would be subject to taxes).[2]

MAXIMIZING YOUR RESP'S VALUE WITH FEDERAL GOVERNMENT INCENTIVES[3]

The government partially matches contributions to an RESP in the form of grants, helping to increase education savings faster and more effectively.

Canada Education Savings Grant (CESG)

- The Canada Education Savings Grant (CESG) matches **20%** on the first **$2,500** of your eligible contributions each year. So you can receive up to $500 (per year, per beneficiary under 18) to a lifetime maximum of **$7,200**.[4]
- Depending on your net family income, you could also receive an additional CESG, of **10%** or **20%** on the first **$500** contributed each year, up to $100 (per year per beneficiary under 18) towards the maximum lifetime CESG of **$7,200**.[4]

Let's look at net family income in more detail

The Additional amount of CESG may be up to:
- $100 if the 2021 adjusted net family income is $49,020 or less ($500 x 20% = $100)
- $50 if the 2021 adjusted net family income is greater than $49,020 and up to $98,040 ($500 x 10% = $50)

Canada Learning Bond (CLB)

- An eligible child born on or after January 1, 2004 may receive the Canada Learning Bond, which offers a **$500 initial deposit**, then **$100 per year** until the eligible child reaches 15 years of age, to a maximum of $2,000.[5] You do not have to contribute to your RESP to apply for or receive the CLB.

CONSIDER THESE TWO RESP CONTRIBUTION STRATEGIES

1. Annual investment strategy

This is the most common savings strategy which allows parents and family members to save significant funds, while maximizing annual government grants, to help fund post-secondary education.

2. Lump-sum investment strategy

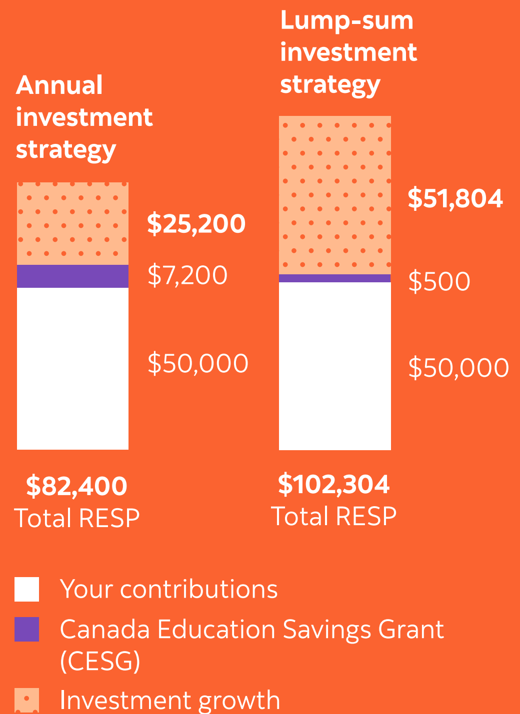
For those with the financial means, a one-time maximum contribution of $50,000 per beneficiary is an efficient savings strategy to accumulate as much money as possible for post-secondary education.

	Annual investment strategy	Lump-sum investment strategy
How does it work?	Contribute $2,500 (or approximately $208 monthly) each year until the beneficiary turns 17, with an additional lump-sum contribution of $7,500 in the final year	Contribute the $50,000 lifetime maximum in year one and remain invested until the beneficiary reaches age 18
Your total contribution	$50,000	$50,000
Canada Education Savings Grant (CESG) amount	$7,200 lifetime maximum ($500 per year, per beneficiary under 18)	$500 (as there is only one contribution made in the first year)*
Investment growth (Assumes a 4% annual rate of return)	$25,200	$51,804
Estimated value of RESP when beneficiary turns 18	**$82,400** *(See illustration on next page)*	**$102,304** *(See illustration on next page)*
What is taxable and to whom?	Both the CESG ($7,200) and the Investment growth ($25,200) are taxable in the beneficiary's hands upon withdrawal (a total of $32,400)	Both the CESG ($500) and Investment growth ($51,804) are taxable in the beneficiary's hands upon withdrawal (a total of $52,304)

* Assuming the child is not eligible for the additional amount of CESG.

ANNUAL vs. LUMP-SUM INVESTMENT STRATEGY

The following graphs compare both strategies based on an assumed 4% annual rate of return



[1] Source: Maclean's magazine (2018). Weighted average of all major expenses for a typical undergrad student living off-campus at a Canadian university.
[2] Some conditions apply. Speak with your financial advisor for more details.
[3] Conditions apply to all government incentives. Please ask your financial advisor for details.
[4] Until December 31 of the year the beneficiary turns 17. Restrictions apply.
[5] The Canada Revenue Agency determines eligibility.

ANOTHER OPTION TO ASSIST WITH EDUCATION COSTS: TAX-FREE SAVINGS ACCOUNT (TFSA)

If you have concerns that an RESP may not provide enough funds to cover post-secondary costs, another viable option to consider that can effectively complement your RESP is a TFSA.

RESPs and TFSAs are similar as contributions made to either type of account are not tax deductible.

Let's look at some benefits of a TFSA:

- Income earned within a TFSA is never subject to tax, even when funds are withdrawn
- Funds within a TFSA can be used for any purpose – not just for education
- The cumulative TFSA lifetime contribution limit is $75,500, with a current annual limit of $6,000. The lifetime maximum contribution for an RESP is $50,000 per beneficiary.

A Scotiabank advisor can develop an education savings strategy that works with your financial situation, incorporating applicable government incentives, to help you meet your child's education needs. To learn more or to open an RESP, speak with a Scotiabank advisor today.

HOME OWNERSHIP

Thinking about renting vs. buying a home?

Where you live is a huge decision. Here are some things to keep in mind as you are thinking of renting vs. buying in Canada.

To rent or to own, that's the question you'll have to face when you're planning out the next stage of your life in Canada.

Depending on the city you are choosing to call home, you might not have the luxury of choosing. According to The Toronto Real Estate Board the average cost of a home in the city, as of December of 2019, was $837,788.[1]

The Real Estate Board of Greater Vancouver, meanwhile, benchmarked the average cost of real estate in the city at about $1 million.[2] In fact, Toronto was recently ranked the world's second most overvalued property market, with Vancouver following closely behind in sixth.[3] For a recent graduate, those prices are often well out of reach.

For those not planning to settle in some of the world's most competitive real estate markets, however, the decision of whether to rent or buy is more complicated.

Here are a few things to consider before deciding to rent or buy a place.

What are your goals?

Buying your first home is an exciting and major decision so you want to make sure you're doing it when you are ready. When you're graduating from school, you likely have a number of financial goals that you are trying to balance, like paying off your student loan as well as saving and investing for your future.

Come into your bank and meet with your financial advisor to help you map out a plan that details your goals, how much money it will take for you to achieve them and what it will take for you to get there. Once you have your plan, you'll have a better idea of when you'll be ready to buy.

Where do you see yourself in 5 years?

Where you buy your home ties you to a specific location. Because of that, it should only be considered by those who are certain (or fairly certain) they know where they want to live for at least the next three, but ideally five or more years. If you are not sure where you'll be in three years, the costs of homeownership might not make sense, as the market will have little time to grow between when you will be buying and selling your house, condo or apartment.

Housing affects just about everything

Whether directly or indirectly, the decision of where we live impacts just about every aspect of our lives, including your career path. If you are looking at buying a house or condo, once you've committed to paying a certain amount each month, you need to ensure you're able to afford those payments long-term, which can impact career decisions. When you're renting a condo/apartment, you have a bit more flexibility to more easily move to pursue new career opportunities or downsize in order to switch careers or pursue a lower paying position.

Your home can also impact who you spend your time with, where your children go to school and when you're able to retire, so it's a decision that you'll want to give a lot of thought.

What can you afford?

When you are buying a home, you are making a major investment. Your home equity can grow over time. Want to get an idea of what the numbers could look like for you? Check out Scotiabank's Rent or Own Calculator to crunch the numbers and compare rent and mortgage payments.

Budgeting for fees

For renters, budgeting can be simpler as there are usually few additional fees that come with renting. A landlord sets a monthly fee which sometimes includes utilities, but sometimes not – and that's normally the end of it.

For homeowners, there are additional fees to consider beyond monthly mortgage payments and utilities. Those who live in a building or complex with shared spaces or amenities will likely have to pay maintenance fees. There are also property taxes to consider as well as the cost of the down-payment, homeowners insurance and the cost of maintaining the home. For example, if a pipe bursts or a roof needs to be repaired, those repair costs are the responsibility of the owner.

What works for you?

At the end of the day, factors like lifestyle, employment and mobility should play a large role in your decision of whether to rent or own, but whether or not you are ready from a financial perspective is key.

Make an appointment to talk to your financial advisor about what will work best for you at this stage of your life. They can help you build a plan for whatever your next step looks like.

[1] https://www.bnnbloomberg.ca/december-brings-another-double-digit-sales-rise-for-toronto-housing-1.1369866

[2] https://www.bnnbloomberg.ca/vancouver-home-sales-rise-88-1-in-december-from-last-year-1.1368856

[3] https://business.financialpost.com/real-estate/toronto-is-now-the-worlds-second-most-overvalued-property-market

For more information on renting a home as a newcomer, have a look at this article:

→ Guide to renting your first home as a newcomer in Canada

HOME OWNERSHIP

9 steps to owning a home as a newcomer

As you settle into Canada, homeownership may be something you consider for you and your family.

Owning your own home is a dream for many people, but for the first-time home buyer in Canada, there are many steps to go through before it becomes a reality.

Below are nine steps that will help you in buying your first home in Canada.

STEP #1: Decide if homeownership is right for you

Buying a new home is a large financial commitment, especially if you've recently moved to Canada, so one of the first steps to buying a house in Canada is to decide whether it is the best option for you.

Start by asking yourself the following questions:

- **What makes sense financially?** Scotiabank offers a "Rent or Own" online tool to help compare mortgage and rent payments.
- **What is your credit score?** A big part of obtaining funding for a home is having a stable credit history. That can be especially difficult for new immigrants who might be starting over building credit in a new country. Waiting to build your score might help you get a better mortgage rate. Refer to the article on credit, *Everything you need to know about credit* on page 14.

- **Are you aware of the additional costs that come with homeownership?**

  Some of the extra fees that come with buying a home may include:
  - Moving costs
  - Home inspection fee
  - Legal fees
  - Land survey
  - Land transfer tax
  - New home warranties
  - Home insurance
  - Title insurance
  - Mortgage life insurance
  - Utilities and property tax

STEP #2:
Find out what you can afford

A majority of Canadians borrow money, using a mortgage, to buy their first home. Before you start looking for a home, determine what you can afford. Visit scotiabank.com under "Mortgage Tools" and try out the What Can I Afford Calculator to calculate the maximum purchase price you can likely manage.

Next, consider meeting with a Scotiabank advisor to start the mortgage pre-approval process. A pre-approval is when a mortgage lender looks at your finances to determine the maximum amount they will lend you. The actual amount you get will depend on the value of your home and amount of your down payment. Typically, the pre-approval is valid from 60 to 120 days before the offer expires. Getting a pre-approval will let you know what price range you should consider when you start looking for a new home and will help you better navigate how to make an offer on a house in Canada.

STEP #3:
Seek out support

There are many options in Canada to help you on your journey to buying a first home in Canada. You can work with a real estate agent, access real estate services online, or buy your home privately without real estate services.

Good real estate agents are experts on the housing market, assist with the large amount of paperwork required to complete a home sale, negotiate on the final purchase price and provide overall guidance and support. Real estate agents earn money through commissions, which are paid by the home seller when a purchase is made and are typically between 3% and 7% of the sale price.

To find a real estate agent, ask those in your new community if they can recommend one they have worked with before. You can also visit the website Realtor.ca, which can help you find someone with a good reputation. Alternatively, Scotiabank's mobile mortgage specialists can refer you to a trusted real estate agent partner. Alternatively, online companies such as Purplebricks.ca provide real estate services to customers through a more affordable fixed fee, regardless of the value of the home.

Buying a home privately is also an option in Canada. This may happen if you find a home that is for sale by the owner and would like to simplify the exchange without a realtor. It is recommended that you have an expert, such as a lawyer, go over the paperwork before signing the deal to make sure you understand the details that are included. This is especially important to do if you are a newcomer to Canada, as there are people who might try to take advantage of your lack of knowledge of how real estate transactions work in Canada in order to scam you.

STEP #4: Find the right community for you

Finding the right home in Canada also means finding a community that you would like to settle down in – something that can be harder for newcomers because you don't yet know the neighbourhoods of your new city or what kinds of communities you might like best. Here are some things to think about:

- **Children:** If you have children, will it be important to live within walking distance of school or daycare?
- **Rural or Urban:** Do you like being near the city centre or are you looking for a quieter community with a smaller population? This will likely impact the size of your home or apartment – since if you like more space you might be able to get a larger home in a smaller community.
- **Cultural:** Do you want to live close to your place of worship or cultural community centre? Are there particular areas in the city where immigrants with your cultural or religious background live?
- **Public Transportation:** Will you need access to public transit? (i.e., bus, subway, commuter train)

STEP #5: Make the offer

Once you have found a home you like and can afford, your real estate agent will guide you through how to make an offer on a house in Canada. The offer is made with an **Agreement of Purchase and Sale,** which is a written contract between you (the buyer) and the seller and includes:

- **the closing date** – the date that you will be required to pay for the home and transfer ownership
- **the price** – the total amount you agree to pay for the home, and the deposit amount (an amount you pay when you make an offer as a deposit to show that your offer is serious – usually between 1% and 3% of the sale price)
- **a request for a current land survey of the property** – a document showing the bounds of the property you're buying

- **a home inspection** – an inspection by an expert to report on the condition of the property
- **a list of items**, such as a dishwasher or lighting fixtures, that you would like included in the purchase price

After submitting the offer, the seller typically comes back with a counteroffer that has revisions to the deal. This process can be stressful, but ultimately helps to make sure the agreement works for both parties.

STEP #6: Obtain a mortgage

Once you have an accepted offer, it's time to get a mortgage. That process will be considerably easier if you already followed Step 2 and got pre-approved for a mortgage.

If this is the case, this is when you can go back to your Scotiabank advisor, who will then collect the necessary documents from you to confirm your pre-approval information, such as your income and down payment, and also confirm the value of your property.

There are many different ways to get a mortgage and a variety of mortgage products to choose from. Not sure what mortgages in Canada look like? Visit our newcomer website scotiabank.com/startright and check out the article, "Buying a home as a newcomer to Canada: What you need to know about mortgages before you buy", which explains some of the basics. You can also talk to your Scotiabank advisor about the product that's right for you as a first-time home buyer in Canada.

STEP #7: Schedule a home inspection

Once your offer is accepted, it is important to follow through on having your new home inspected by a professional. Home inspectors will look for and evaluate mold, a damp basement, roof condition, plumbing problems, inferior electrical systems, and more.

Take care when choosing an inspector, as most anyone can claim to be one. Most provinces have associations that require inspectors to meet professional standards. You can also find more information about home inspectors from the Canadian Association of Home and Property Inspectors (CAHPI).

STEP #8:
Finalize the sale

Closing day is the final step in the process of buying a first home in Canada. It's when you get the keys to your home and officially become a homeowner. Usually this includes meeting with a lawyer, who will ensure that all legal and mortgage documents are signed, the home is registered in your name, and that the down payment is transferred to the person selling the home.

Following are two costs to be aware of:

1. Land transfer taxes are due and range from 0.5% to 4% of the property value
2. Legal fees may range from $500 to $1,000 or higher

STEP #9:
Be a responsible homeowner

You've finally done it! You've completed the process of buying a first home in Canada! Once you have moved in, remember to protect your investment by:

- Submitting mortgage payments on time
- Budgeting for ongoing homeownership costs (i.e., electricity, water, property taxes)
- Saving money for emergency home repairs (e.g., roof, leaks, broken appliances)
- Making sure your home is protected through home insurance and mortgage protection insurance

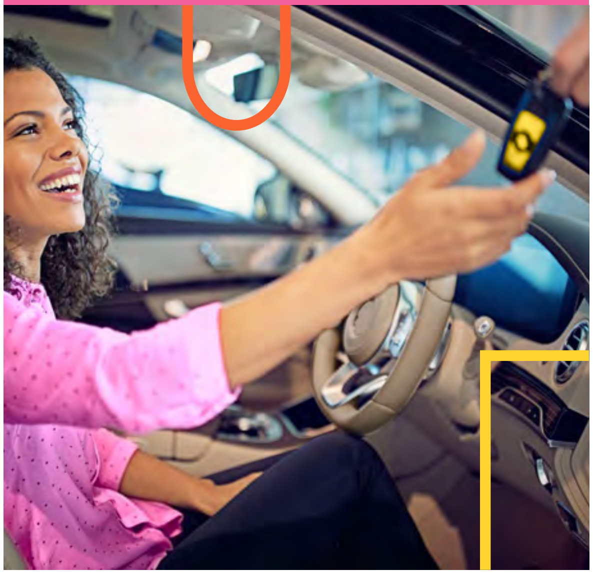
If you are a first-time home buyer you may be eligible for the Government of Canada's Home Buyers' Tax Credit. You will be able to claim this when you file your income taxes for the year.

Good luck on your journey to Canadian homeownership! Remember that budgeting and planning are fundamental to your success. Scotiabank advisors are available to provide you advice and solutions at any point during this process. Call us today to book an appointment!

YOUR CAR

New car vs. used car: Car buying guide

Maybe you're tired of taking transit, or maybe you have an old car that's on its last legs and you want an upgrade. Whatever the reason, you're in the market to buy a car. Now, should you buy a used car or a new car?



Buying a car is a significant financial decision, which will have a large impact on your personal finances, so it makes sense to spend time thinking through this decision.

Here are some pros and cons to help you make the final decision.

Pros of buying a new car

Aside from being able to bask in the new car smell and driving a pristine car off the dealership lot, there are a number of other great benefits to buying a new car.

The first is that you'll have the peace of mind of the factory warranty should anything go wrong. In two months if your car develops an electrical problem, you'll know it will be covered!

Another benefit is the fact that newer cars have more bells and whistles and that you can customize the cool features your car has included in it when you buy new. Do you want heated seats? You can have them! What about media players for your kids? Those are available on several different models. You also have more control over choosing the colour, the make and model. These options could come at a cost so be prepared for that but depending on your financial situation, this may not be a concern.

An additional advantage to buying a new car is that you might be able to access better financing rates. Some dealerships offer special rates that let you pay little or no interest on a new car. For example, you often hear of dealerships offering 0% interest financing on new cars. Spring and summer are generally good times to buy a vehicle because there are lots of incentives and programs in the market at that time, but incentives can be available at any time throughout the year so don't discredit "low selling times". Summer and fall are often when new models are available if you're after the latest and greatest.

Finally, buying a new car means you'll know the full history of your car – from the moment you drive it off the lot until the moment you sell it yourself. You won't have to worry about potential cosmetic or significant damage that you don't know about, and you'll be able to ensure that you perform all the important maintenance tasks on your car.

Cons of buying a new car

While there are some definite perks to buying a new car, there are also some downsides.

A significant disadvantage of buying a new car that you've likely heard about is depreciation. A car loses 11% of its value, on average, once it drives off the lot, according to Edmunds.* By the time you've paid off a five-year car loan, you'll likely lose far more of the value – about 37% on average. That's a significant downside!

Another downside is that the insurance on a new car is often higher since it has to cover the cost to replace the car at its full value. In contrast, the insurance cost of an older car tends to be less because the value of the car has depreciated.

Pros of buying a used car

The main benefit of buying a used car is the cost of the car. After all, you don't have to deal with an immediate hit of depreciation – the car will already have depreciated by the time it gets to you. Used cars are often significantly cheaper than new cars depending on how old they are when you buy them – because you don't pay for the significant depreciation that takes place in the first years.

If you buy a car that has a good resale value, you're likely to be able to maintain much of your car's value while you own the car, which means that you could sell it without losing too much of your investment.

Because the car is older, you will also qualify for a lower car insurance rate since the replacement value of the car is considerably less.

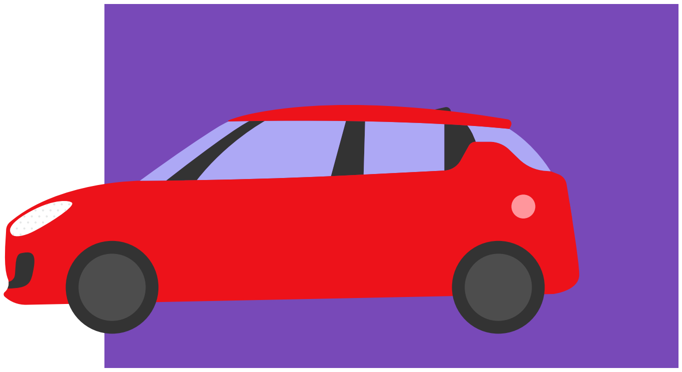
Some people say one downside of buying a used car is that you may have to pay a higher interest rate when you buy a used car directly from the dealer. But if you buy a used car directly from the manufacturer's dealer, you may be able to qualify for a lower interest rate via dealership financing in the same way you would be able to get with a new car. Some dealerships also offer extended warranties on used cars or often the car's warranty has not yet expired.

It's also important to note that a lower interest rate doesn't make your loan cheaper or mean you pay less interest over the life of your loan. If you borrow less because your car is used and costs less, you might be able to have a lower monthly payment and pay less in interest over the life of the loan anyways.

Cons of buying a used car

There are a lot of things to consider when buying a used car:

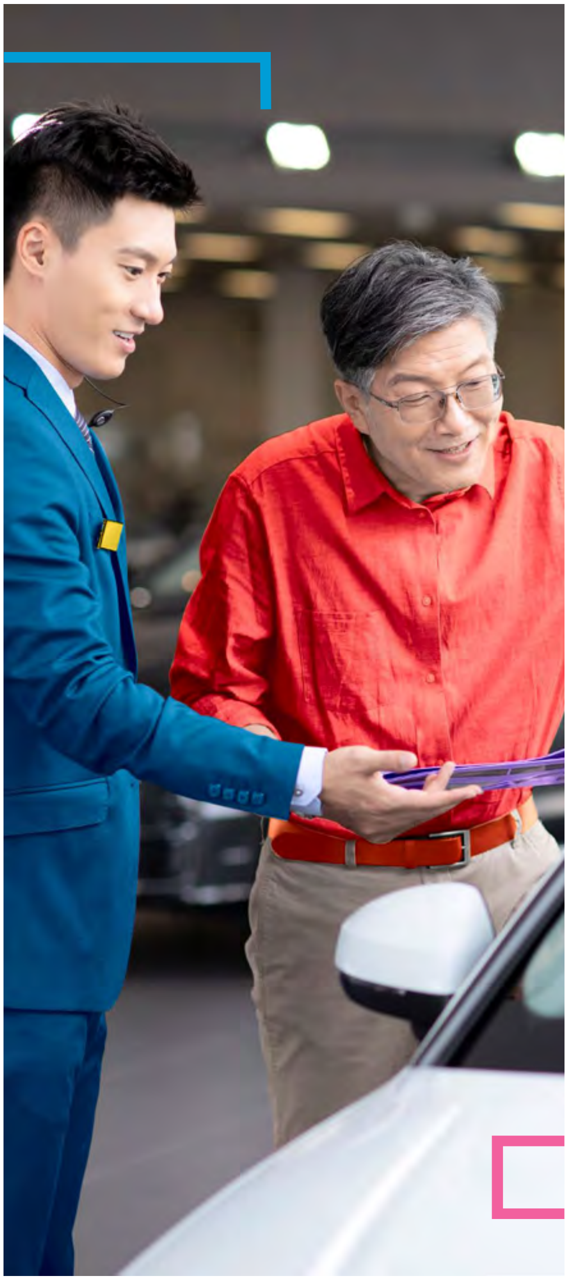
- You won't have nearly as much choice over the type of car you buy as you would if you bought new.
- You won't be able to customize the features, for example, the colour of the car.
- You might not be able to find the model you want in your price range at the time when you're shopping.



- You might miss out on some more modern features that are convenient, like the ability to link your cell phone to the stereo with Bluetooth or even advanced safety features that are more likely to be included on newer cars.

You should also be careful about how many kilometers are on the car. It might be nearing a point where it will need a major repair or have significant maintenance expenses, such as new brakes or tires. Before you buy a used car, make sure to check the owner's manual to see what regular maintenance is coming up based on the mileage of your car. You should also get a mechanic to check the car to make sure there aren't any major issues.

Speaking of maintenance, one downside of buying a used car is that you won't know how well your used car has been maintained over the years. You might find a responsible seller who has kept copies of each and every oil change, but more likely than not you will buy a car without that history. If it wasn't properly maintained, that could lead to significant costs down the road.



Buying a used car may make it harder to qualify for financing. That's because an auto lender uses the car as security for the loan. As a result of depreciation and the complexity of valuing used cars, you might not be able to qualify for a loan for a used car if it's older than five to seven years. You might instead have to take out a personal loan, which isn't secured, is harder to qualify for, and might come with a higher interest rate. There's also the chance that you might not be able to qualify for a personal loan.

If you intend to buy a used car directly from the dealer, be careful of cars that aren't very old but have a lot of miles on them. These cars may have been used by rental companies and not been properly maintained, which could mean repair costs for you in the future.

What's right for you?

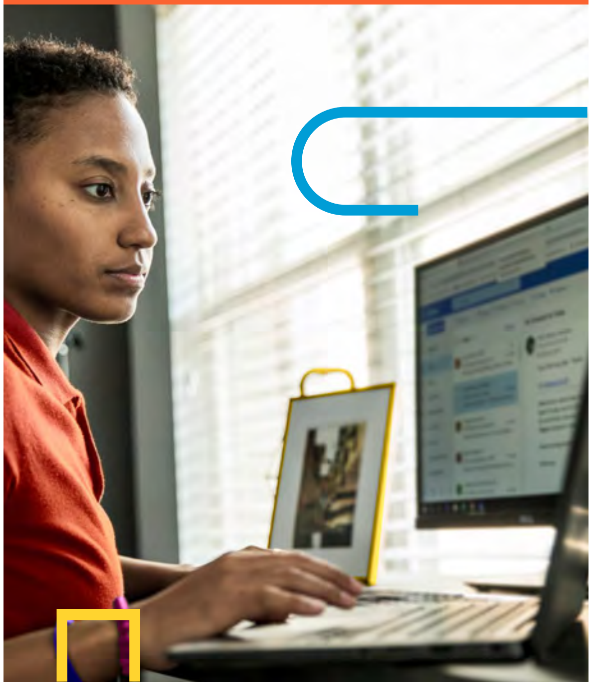
This will depend on what's more important to you when it comes to buying a car. Do you want something that has all the bells and whistles and which you can customize? If that's the case, a new car might be right for you. If you're looking for something that will give you the best value and will be better for your bottom line, you're likely to benefit from buying a used car. You can always speak to a car dealer before making any decisions.

Whatever your decision, you'll be happy you took the time to thoroughly review both options and choose the one that best fits your personal and financial goals.

*https://www.edmunds.com/car-buying/how-fast-does-my-new-car-lose-value-infographic.html

MOBILE BANKING

Online banking: Everything you need to know



If you are new to Canada, or in the process of immigrating, it is important to know about online and mobile banking. This article will help answer some of the questions you may have about using digital financial services, as well as helpful tips on how to protect yourself online. It's good to know where your local bank branch is, but to save time you can do a lot of simple daily transactions online.

SAVE TIME WITH THESE DIGITAL BANKING SERVICES OFFERED BY SCOTIABANK

Check your balance, account history and credit score
When you sign into your Scotia OnLine account or mobile banking app, you can quickly access your account details or search and browse your transaction history from the comfort of your new home in Canada. You will also be notified instantly about new products and offers, such as credit limit increases.

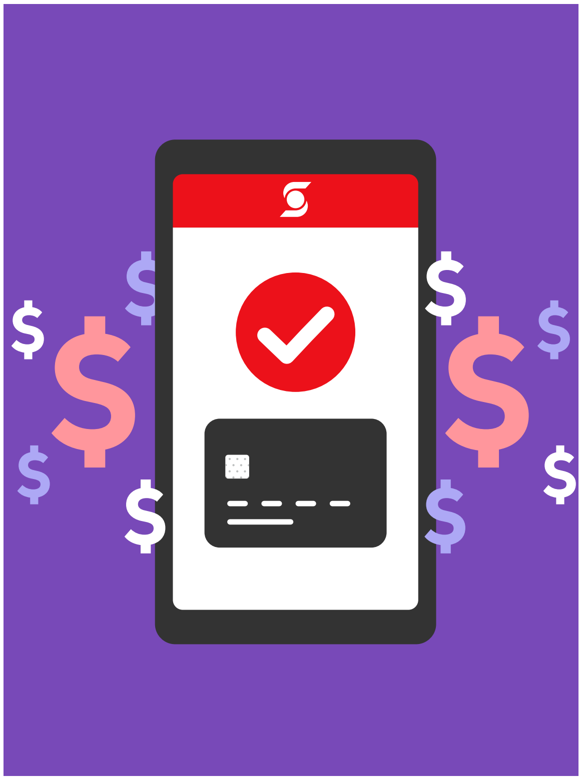
Another great feature is the ability to instantly check your credit score by registering for the free TransUnion Credit Score service.[1] Simply sign on to your account through Scotia OnLine or the mobile banking app to get started. Checking your credit score is really useful for things like signing a lease on a new apartment, buying a home, getting approved for a business loan and more. Refer to the article, *Everything you need to know about credit* on page 14.

Send money to friends and family anywhere in the world

Western Union Money Transfers let you send money to loved ones anywhere in the world. Send money through Scotia OnLine, Mobile Banking or at any Scotiabank branch.

Pay bills online and go paperless

When you have settled and have had time to set up utilities, a credit card and a phone account, these companies will send you a monthly paper invoice in the mail. A great way to limit paperwork and save time is to pay these bills online. You can pay your bills using your computer, tablet, smartphone or by phone. You can easily take care of bills such as credit cards, internet, hydro, cell phone and property taxes online.



Pre-authorized payments

Forgetting to pay your bills can be stressful and will cost you money in late fees. Once set up, pre-authorized payments will automatically pay your bills on time without you even thinking about it. You can take care of bills including cable, internet, property tax, gym memberships and more.

Transfer money between accounts

In Canada, people often have more than one account, for example, a chequing account for monthly expenses and a savings account for long-term goals. Sometimes you might need to transfer money between your accounts – and this can also be done through Scotia OnLine, Scotiabank's online banking website. Limiting the number of trips to the bank can help save time for other important tasks such as language classes or job training.

Automate your savings

Thinking of buying a house or going back to school in Canada? Putting aside money every month is one of the most effective ways to save for these long-term goals. To make it easier, Scotiabank has an Automatic Savings Plan that allows you to have a pre-determined amount transferred automatically to your savings account at set intervals (every week, every two weeks or every month).

Want to get the convenience of banking on your phone or online? Learn how to register for an online account here!

Online banking can make your life easier in so many ways, but it is very important to ensure you keep your finances secure. At Scotiabank, online privacy and security are our top priority.

Here are five ways to help keep your finances safe and secure online:

1. **Choose secure passwords** and don't reuse passwords on multiple sites.
2. **Never send any confidential information**, including credit card or banking information, via email.
3. **If you see unusual activity** on your account, contact your bank right away.
4. **Do not respond to unsolicited emails** that request personal information such as your banking card number, online passwords, credit card number, etc.
5. **Do not use public computers**, such as in libraries or job centres, to access Scotia OnLine.

For more information on the Scotia mobile app features, have a look at this article:
→ Get to know the Scotia mobile app

[1] Your TransUnion Credit Score is provided by TransUnion Interactive, Inc. ("TransUnion") and is brought to you by Scotiabank at no additional charge. Accessing your TransUnion Credit Score will not impact your Credit Score. Scotiabank is not responsible for the TransUnion Credit Score or any of the information provided to you through TransUnion's Credit Score services.

To access your TransUnion Credit Score, Scotiabank will share your personal information such as name, address and date of birth with TransUnion so that TransUnion can identify you and provide your Credit Score. Your information will not be used or disclosed by TransUnion for any other purposes.

The TransUnion Credit Score service is subject to certain terms and conditions that can be viewed here Terms of Use.

MOBILE BANKING

Tips to stay safe with mobile banking

Find security tips on how to protect yourself when banking from your mobile device.

From buying coffee with the tap of your phone to depositing a cheque with a smartphone snapshot, managing your money has never been easier. According to the Canadian Bankers Association, 76% of Canadians are using digital channels – both online and mobile – to conduct most of their banking transactions, and 91% believe that these new technologies have made banking more convenient.[1]

With the Scotiabank mobile banking app, you can complete your everyday banking needs easily from anywhere, from sending an international money transfer and renewing your mortgage to paying your bills and applying for new products. It's no wonder that Canadians love using mobile banking apps, with 56% of Canadians reportedly using mobile banking in the last year.[2] In fact, 32% of financial transactions are done with a mobile device – and this number is only expected to increase in the next five years.[3]

But how safe are mobile banking apps? Read on to learn more about mobile banking and safe mobile practices.

Are mobile banking apps safe to use?

Generally speaking, mobile banking apps are very secure, as Canadian banks have invested heavily in sophisticated cybersecurity technology to keep you safe. Apps like the Scotiabank Mobile Banking app have a secure connection with their system, making it very difficult for fraudsters to crack in and interfere. Plus, there are layers of security built into apps to protect your privacy, for instance: user identity is verified through multiple factors; your credit card and account numbers are hidden; account nicknames are available; and, sessions are automatically timed-out. Scotiabank has also designed its interfaces to help protect those using devices in public places, as well as to support biometric authentication (fingerprint/facial recognition) when signing into the app.

Protect your device

There are also some extra precautions you can take to safeguard your confidential information.

Start by safeguarding your mobile device against cyberthreats by doing some of these easy and practical things:

1. Choose a secure password

Create a hard-to-crack banking password that uses a combination of letters, numbers, and symbols, and don't reuse it for other websites/apps. If you suspect your password has been compromised, change it immediately.

2. Set up biometric authentication

If possible, set up biometric authentication to log in to the Scotiabank mobile banking app. Biometric authentication is more secure than a password login, because it means that your fingerprint or face recognition is needed to access the Scotiabank banking app. So, if a fraudster somehow cracks your code and gets into your device, it would be virtually impossible to access your banking information through the Scotiabank app. In this way, biometric login is actually more secure than signing in with a passcode, and your biometrics are never stored on the Scotiabank system.

3. Avoid access through a public Wi-Fi network

A "free" Wi-Fi network could be a computer-to-computer network that allows cyber criminals to see everything you do online. For mobile banking or online purchases, stick to a secure Wi-Fi network that you know and trust.

4. Trust the creator of an app before downloading it

Beware of "free" apps and utilities like wallpapers, calendars, and third-party services that may collect your data, which can compromise your cybersecurity. An app could contain malicious code like "spyware" (that covertly monitors your online movements) and "keystroke loggers" (that secretly track what you're typing), which can be used to access your personal information or financial accounts. Luckily, Scotiabank has protections in place to defend against devices that have been tampered with.

What are the risks of mobile banking?

Canadian banks are equipped to detect and deal with cyber threats, but it's essential that you follow safe mobile practices to keep your device secure. One thing you can do is use a mobile banking app – a fraudster would have a hard time replicating a banking app, whereas it's very easy to create a carbon copy of a website.

What if I make a mistake?

Don't panic! Mistakes happen, and if you encounter a security breach, immediately take the following action to protect your information:

- Change your online passwords (email, mobile banking, etc.).
- Contact your device's service provider to disable your account and "blacklist" your phone's unique identifier (IMEI). That means that participating Canadian wireless service providers will not allow your device to be used on their wireless networks.
- Depending on your device, you may be able to locate your lost mobile device and/or delete sensitive information remotely using a built-in app.

Notify Scotiabank at **1-800-4 SCOTIA (1-800 472-6842)** in the event of loss, theft, misuse or compromise of your ScotiaCard, ScotiaCard number, mobile banking password or mobile device.

Mobile app security tips

- Only download mobile banking apps from the Apple App Store (iPhone) or Google Play Store (Android).
- Turn on automatic software and security updates.
- Use biometric authentication. Enable Touch ID or Face ID on eligible iOS devices, and Fingerpint or Face Unlock on eligible Android devices to unlock your phone.

Mobile banking apps are very safe to use, provided that you're adhering to safe mobile practices. The Scotiabank mobile banking app is equipped with high-powered security systems that protect your privacy and financial information.

TIPS TO HELP PREVENT UNAUTHORIZED ACCESS TO YOUR BANKING INFORMATION

- Enable a passcode or biometric authentication (fingerprint or face recognition) to unlock your phone. If possible, set up biometric authentication to log in to the mobile banking app.
- Never share your user IDs, passwords, or PINs with anyone – even family and friends.
- Do not click on links or respond to questionable emails, texts, or phone calls.
- Avoid storing bank account numbers, user IDs, or passwords on your mobile device.

If something seems suspicious, contact Scotiabank at 1-800-4-SCOTIA (1-800-472-6842), press ❸, and then press ❶.

[1,2,3] Canadian Bankers Association, Focus: How Canadians Bank, March 2019 https://cba.ca/technology-and-banking.

As you settle in, we'd love to talk.

At Scotiabank, we're here to make sure you get tailored and personalized advice that will help you reach your financial goals – today and well into the future.

If you have any questions about the information provided in this publication or need guidance, you can schedule an appointment to speak with a Scotiabank advisor.

You can also visit the ScotiaAdvice+ Cente at **scotiabank.com/adviceplus** where you'll find timely financial information, advice, tips and tools to help you become better off today and tomorrow.

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