



**ANNUAL
MEETING**
OF SHAREHOLDERS

24

**ASSEMBLÉE
ANNUELLE**
DES ACTIONNAIRES

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REMARKS

by Scott Thomson, President and CEO

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(Check against delivery)

Scotiabank



SCOTT THOMSON

President and
Chief Executive Officer, Scotiabank

Thank you, Aaron, and good morning everyone.

I would like to begin by thanking you, our shareholders, for your continued support throughout this year.

I have had the opportunity to engage with many of you throughout this period, and the Bank has benefitted immensely from your input and perspective, as we shaped our new enterprise strategy.

I would also like to thank our team of Scotiabankers across our entire global footprint, who have continued to work tirelessly in service of our clients and all of our stakeholders throughout this time of change.

This was a year of transition for our Bank, as we reflected on—and reinforced—what matters most to us an institution.

We introduced a bold new vision: To be our clients' most trusted financial partner.

This North Star will underpin our business and culture, ensuring we hold ourselves to a higher standard when it comes to safeguarding our clients' finances and futures.

We also introduced our new strategy, which both defines and focuses our collective ambition.

In the context of an unpredictable geopolitical environment, our strategy will enable the Bank to lead through uncertainty – both as we look to compete globally, and as we confront head-on the challenges and opportunities that we face here at home.

Our new strategy is guided by four strategic pillars:

- Grow and scale in priority markets;
- Earn primary client relationships;
- Make it easy to do business with us; and
- Win as one team.

First, we will grow and scale in priority markets, with a focus on North America.

At the root of this is more discipline and rigour in how we allocate capital, with the majority of new investment going to our franchises in Canada, the United States, and Mexico.

This is a unique differentiator for us.

As a top 5 bank in Mexico and among the top 10 biggest foreign banks in the US, we are the only Bank that operates at scale across the North American corridor.

And this provides clear benefits for our clients—including for our wealth management and commercial clients, and particularly for those multinationals that are operating across North America who can benefit from a unified approach to managing their business.

We will increase value for our clients through greater access to capital, customized advice, support to boost their own competitiveness, and lowering their administrative burden.

We are also supporting our clients with their energy transition efforts.

At the end of this year, we will be publishing a more fulsome Climate Transition Plan that will outline how we are supporting our clients, even in the high-abating sectors, to transition to a lower carbon future.

To date we have provided 132 billion dollars since November 1, 2018, towards our goal of 350 billion dollars in climate-related finance by 2030.

We are advancing our net-zero efforts by working to enhance our understanding of our clients' transition planning activities, especially in the industries where we have set 2030 interim targets.

We have also enhanced our financed emissions reporting and raised our ambition to reduce the Bank's own greenhouse gas emissions.

This past year alone, our Bank was recognized with several awards for transparency and sustainability, including from Global Finance in key categories across Scotiabank's footprint.

We were also pleased to be recognized in the Globe and Mail's Report on Business magazine with the highest ranking in Canada in the Morningstar Low Carbon Transition Rating.

The rating evaluated more than 250 Canadian companies' exposure to specific carbon risks and opportunities, their management actions, and their sustainability governance.

Second, we are focused on earning primary client relationships.

To deepen further with our clients, we are emphasizing value over volume as we deliver the entire Bank to them.

We are pivoting from monoline towards multi-product client-centric relationships, and providing our clients with the right set of products and services to help them navigate the challenges of today, and meet their needs of tomorrow.

This year we expanded Scene+ by welcoming Home Hardware into the loyalty program, adding more ways to earn and redeem points on everyday purchases.

Scene+ now reaches more than 15 million members, attracting new clients to our Bank and helping to deepen our relationships with existing ones.

Our Tangerine Bank remains the leading digital bank in Canada and offers our clients a simplified digital banking experience to help them bank how and when they want.

It was recently recognized for the 12th consecutive year as the top bank for retail banking satisfaction by J.D. Power, and was named the most trusted among midsize banks.

And as we speak about understanding the unique needs of our clients better, we are very pleased to have announced a new initiative that will help us build trust and drive economic progress for our Indigenous clients and communities.

We partnered with Nch'kay' Development Limited Partnership, Des Nedhe Financial LP and Chippewas of Rama First Nation to launch Canada's first Indigenous owned and led investment dealer: Cedar Leaf Capital.

Once approved, Cedar Leaf Capital will foster greater Indigenous participation in the capital markets, create commercial opportunities for Indigenous communities, and partner with established market participants to assist them in meeting their reconciliation commitments.

These are just some of the reasons that we have been named the Best Bank in Canada for 2024 by Global Finance magazine.

Third, we will make it easier to do business with us.

I know this will be something that resonates with everyone here today, including our Scotiabankers.

We see the opportunity to simplify, digitize, and streamline the way we do business to create a more efficient organization—leveraging Cloud and artificial intelligence to enhance our clients' interactions with us.

We are expanding our strategic partnership with Google Cloud, naming it the Bank's enterprise platform of choice, for the next phase of our cloud acceleration journey.

The partnership with Google Cloud, which builds on a series of successful earlier Cloud initiatives, will support the Bank in accelerating our global data and analytics strategy, and elevate the client experience, by enabling more sophisticated analytics to incorporate their individual needs.

Scotia Smart Investor is a great example of how we are simplifying and integrating the investment journey.

It blends AI-powered recommendations and personalized advice in real-time to provide clients with product and investment solutions that meet their goals.

Innovations such as our award-winning AI-powered chatbot are providing our clients with the information they need, without them having to speak to an advisor.

And Tangerine's differentiated digital offering continues to lead the market in mobile adoption, with 62% of all new sign-ups on mobile.

But we are also investing in creating a frictionless experience for existing and prospective clients, including those calling Canada home for the first time.

For example, we were the first Canadian-based bank to offer prospective clients the ability to share their foreign credit reports when applying for Scotiabank products, through a new partnership with Nova Credit.

This innovative partnership helps to remove hurdles and creates a clear path for newcomers to make a smooth transition to their life in Canada.

Finally, to win as one team we are investing in our most important asset—our people—and equipping them with the skills to grow, prosper, and adapt to a changing world.

Our employees already demonstrate a deep sense of ownership over our future.

In fact, three quarters of eligible employees in Canada participate in our Employee Share Ownership Program, making them personally invested in our success as shareholders themselves.

And in our most recent employee survey, 84% of our team said that they feel like they belong at Scotiabank.

To further support them, we are building and strengthening our culture, to ensure that all Scotiabankers thrive.

Culture is the foundation on which exceptional performance is built and this spring we are working with leadership across the bank to support a new cultural framework.

This framework includes refreshed values and new behaviors that are intended to drive a high-performance, values-based culture, which will ultimately accelerate our Enterprise strategy.

Our already-thriving culture of inclusion will be an important part of our framework.

Earlier this year we held our third global Allyship Summit, providing an opportunity for thousands of employees to challenge bias, confront discrimination and respectfully value every voice.

The ongoing conflict in the Middle East, and the subsequent rise in antisemitism and Islamophobia across our communities, has served to reinforce the importance of effective allyship.

This past Sunday marked six months since the attacks of October 7, and in that time we have witnessed acts of violence against Jewish schools and businesses, and expressions of hate against Muslims.

I understand and respect that there are a range of views on the ongoing conflict.

And I also know how personal and painful events in the Middle East have been for many Scotiabankers, their families, and their communities.

It is in moments like this that we must ensure our engagements with one another are rooted in respect and an understanding that we are all equally human.

And that we present a unified message that hatred, bigotry and discrimination have no place in our society.

I am committed to supporting our employees, to ensure they feel safe and bring their best selves forward, every day.

We also introduced new Inclusive Standards of Care for our employee benefits this past year, putting an initial focus on closing health gaps for women and the 2SLGBTQIA+ community.

We were proud to be named to the Bloomberg Gender Equality Index in 2023 for the sixth consecutive year, reflecting our dedication to workforce diversity, gender equality, and transparency in gender reporting.

This year, our Bank also embarked on the development of a Truth & Reconciliation Action Plan.

I am immensely proud to be our executive champion of this transformational effort.

This Action Plan builds on foundational work by Scotiabank that has earned us gold-level certification for Progressive Aboriginal Relations with the Canadian Council for Aboriginal Business.

The journey of Truth and Reconciliation must be rooted in respect and co-developed and carried out with a balance of urgency and patience.

We are working in partnership with an Indigenous-owned consultancy and with internal and external Rightsholders, to deliver a plan with an impact that will be felt for generations to come.

When launched, our action plan will outline the formal commitments and steps we will take to advance reconciliation, and to establish relationships of trust between Scotiabank and Indigenous employees, clients, and communities.

Taken together, the four pillars of our strategy align our efforts and empower our Bank to play a meaningful role in unleashing the opportunities facing North America, whether by supporting our clients to help them be more competitive, investing in the energy transition, or building more resilient communities.

We are fortunate to live in one of the most secure, stable, and prosperous regions of the world.

Over the last three decades we have developed an integrated North American economy that has increased trade, generated economic growth, and helped improve the standard of living of people across Canada, the U.S., and Mexico. With a combined population of more than 500 million people, free trade—first under NAFTA, and now under the Canada-United States-Mexico Agreement—has provided us with significant economic opportunities.

The GDP of the three countries combined is around 30 trillion dollars, representing about 19% of global GDP and 26% more than the European Union.

And the relationship continues to grow, with trade flows in the region increasing at an average annual pace of more than 5% over the past five years.

That said, we have not always taken full advantage of those opportunities to build an even more productive and integrated economy that benefits all citizens across the region.

There is an important role for both the public and private sector to play in supporting North American prosperity.

And with elections coming this year in Mexico and the United States, and soon in Canada, there is a level of political uncertainty that makes it difficult to make the long-term decisions that will ensure our future prosperity in the region.

But difficult does not mean impossible.

And with our experience in navigating shifting economic and political environments across North America, Scotiabank is well-positioned to be a major player as the continent looks to strengthen its ties for the benefit of all.

One of the potential upsides to greater integration is increased productivity.

Canadian productivity has lagged its OECD peers, and the US in particular.

Our economic potential is underdeveloped at a time when the world needs us to be aligned, productive and competitive.

We can increase North American economic integration through concerted efforts at nearshoring, reducing regulatory hurdles, and ensuring businesses can access capital efficiently and smoothly across geographies.

Creating conditions that encourage greater business investment—the key factor in improving productivity—must be a focus. In Canada, we have the people and the skills.

In fact, we have made historic investments in population growth through immigration.

That should be a source of economic strength for the country, and a competitive advantage.

But to realize that potential, what we need now are the investments to match that historic population growth, unlocking the productivity of those people, and our businesses.

All three North American countries also have ambitious emissions reduction targets.

While we must move quickly to reduce our carbon emissions, we must do so in a way that ensures our continued prosperity.

It is my view that Canada can lead.

From coast to coast to coast, Canada is blessed with an abundance of natural resources, a highly educated population, strong governance, and a reliable financial system—all of which are required to both accelerate economic growth and overcome many environmental challenges before us.

Our extensive geography and geology allow for a growing mix of energy products.

Our production and environmental standards are amongst the highest in the world, regulated by institutions that ensure industry practices are monitored, measured, verified, and authenticated.

Our environmental, social, and governance practices ensure our goods are produced far more transparently than others.

And, rich with entrepreneurial human capital, Canada is quickly becoming the top country for investments in cleantech.

This is now an 80 billion dollar sector unto itself, employing more than 325,000 Canadians with high paying jobs, and home to 13% of the Global Cleantech 100 companies.

This is at a time when the need for new energy infrastructure across the continent, especially electricity generation, is undeniable.

And as we move forward through this transition, and strive to meet those growing needs, we must leverage all available decarbonization opportunities.

A transition to a lower carbon energy economy needs to occur in an orderly and responsible way, with close partnership between the private sector, government, and institutions to tackle the multi-pronged challenge of decarbonization, energy security, access, and affordability.

This means making significant investments in renewables. For our part, I am committing Scotiabank to playing a bigger role in this.

And where it supports accelerated decarbonization, we should also leverage natural gas as a transition fuel, as we move between fossil fuel and renewable energy sources, especially for hard-to-abate processes—ensuring there is a secure and stable energy source for the grid while transitioning to net zero.

We are also committed to enabling Canada's cleantech leadership.

We believe decisive policy action, including the prompt supporting of tax credits, carbon price assurance mechanisms, and faster deployment of the Strategic Innovation Fund will be required in the areas where the biggest differences can be made—including Cleantech and Carbon Capture, Utilisation, and Storage technology.

I recognize the path forward will not be easy, and it will require trade-offs.

But Canada's potential to reach net zero is there.

By clearing the obstacles that inhibit investment in 21st-century technology and infrastructure, we can link our climate strategy with our industrial strategy to reduce emissions, ensure our energy security, and become recognised as a low carbon, high value-add, and high-IP leader in global sustainable infrastructure.

But building our pathway to prosperity is about more than trade relations and big infrastructure investments.

It is also about economic inclusion, which is one of the most powerful forces in supporting a fair, resilient society, and an important driver of productivity.

To do this, Scotiabank has a long-term commitment to enable and invest in our community partners, who are working to remove barriers faced by historically disadvantaged members of our societies.

Through ScotiaRISE, our 10-year community investment program, we have invested over 100 million dollars in more than 200 community and academic partners to promote economic inclusion and resilience.

We are also driving economic inclusion by unlocking access to capital through efforts like the Scotiabank Women Initiative, which recently celebrated its fifth anniversary.

To date we have deployed more than 8 billion dollars in capital—towards our 10 billion dollar commitment by 2025—to support women-owned and led business in Canada.

We have supported more than 25,000 women around the world to grow their businesses, advance their careers, and take control of their financial wellbeing, and have so far expanded our program offering beyond Canada to four more countries across our footprint.

We firmly believe that it is incumbent upon organizations such as ours to lead with a sense of purpose and a clear vision for our stakeholders—one that is forward-looking and enables their success—while ensuring that our communities are resilient for whatever the future may hold.

With our new strategy as our foundation, we are ready for every future.

It will serve as our guide throughout this uncertain macroeconomic period, helping us manage our way forward with confidence as we work to deliver profitable, sustainable growth for our shareholders.

Our strategy unleashes our potential to play a meaningful role in addressing challenges within the broader North American context—and contribute to both a stronger country and a stronger continent.

We have a strong team, with the right skills, experience, and passion to navigate the challenges ahead.

And I would like to thank our people once again for your ongoing commitment to the Bank.

Thank you to our clients for your continued trust in our institution.

And thank you to our shareholders for your support and enthusiasm about our path forward.

I am incredibly optimistic about the future, and everything that we are building—together.

A handwritten signature in black ink, appearing to read "Scott". The signature is stylized with a large, sweeping initial 'S' and a trailing flourish.



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