SCOTIABANK ANNUAL MEETING OF SHAREHOLDERS

April 13, 2021

The Turnaround Story

Thank you, Aaron, for that kind introduction and good morning, everyone.

Welcome to our 189th Annual Meeting of Shareholders.

I want to begin by extending my thanks to you, our shareholders, for your ongoing trust in the Bank's leadership team, and in our vision for the Bank's future.

I also want to sincerely thank all Scotiabankers for their many efforts over the past year.

Our team has demonstrated tremendous resilience and determination, while delivering for our customers, our shareholders, our communities, and for one another.

> I know that I speak on behalf of our Board of Directors and the leadership team in saying, thank you and job very well done.

Our Board, led by our Chair Aaron Regent, also deserve special thanks for their engagement and support during this difficult time.

Their experience and wise counsel have been appreciated by me, and by all Scotiabankers.

I also want to use this opportunity to recognize and thank the entire team at the University Health Network.

UHN is Canada's top research hospital and was recently, for the third year in a row, ranked one of the world's best hospitals.

It's my privilege to serve as Chair of the Board of UHN and over the past year, I have seen Team UHN's commitment, courage, and compassion firsthand.

Today, Canadians are united in our appreciation for all of our medical professionals – doctors, nurses, administrators, ambulance driver, paramedics, and volunteers.

You have earned our deepest gratitude and highest respect.

Shortly after becoming CEO – in fact, it was during my first Annual Meeting – I outlined our plan to create shareholder value over the longer term.

A plan to put customers first, build a winning team, and lead in the businesses and markets where we operated.

We knew the decisions we had to make would not be easy.

CONSEQUENTIAL DECISIONS RARELY ARE.

Strengthening the Bank's foundation required us to make considerable investments to boost our digital capabilities, and in our people, processes, technology, and products.

We also began to take steps to simplify our footprint through a series of divestitures, focusing on the countries where we could turn the dial for our customers and indeed, our shareholders.

While many of our divestitures were profitable operations, they did not produce acceptable risk-adjusted returns.

Each of these markets had low growth prospects, lacked scale, or we did not have a competitive advantage as a business.

Our decision to sell profitable businesses that contributed $500 million to the Bank's annual earnings was not an easy decision.

BUT, IT WAS THE RIGHT DECISION.

Take Puerto Rico and El Salvador for instance.

By exiting these two countries, which represented 0.3% of the Bank's assets, we reduced the Bank's gross impaired loans by 10%.

Since 2013, we have exited 25 unrated or sub-investment grade countries and 8 non-core businesses.

We redeployed the approximately $10 billion of capital in geographies and businesses that were stable, higher-growth, and had a higher return on investment.

In doing so, we have reduced operational risk and exposure to un-rated and sub-investment grade countries from 12% of earnings to just 3%.

Our acquisition in Chile strengthened our position in a highly-attractive market.

Here, in Canada, we acquired Jarislowsky Fraser and MD Financial, which were in line with our strategy, in terms of growing out our wealth business across our footprint.

Each integration was completed at, or ahead of the projected timeline and is financially contributing at, or above our expectations.

Looking forward, we see meaningful growth opportunities in our core markets: Canada, the United States, Mexico, Peru, Chile, Colombia, and the Caribbean.

Today, these countries generate more than 95% of the Bank's earnings.

The Bank's repositioning program is largely complete, and our overall financial and operational strength has never been better.

We re-earned the $500 million that we gave up through our divestitures in one year, thanks to the strong performance in Global Banking and Markets, Global Wealth Management, and Treasury operations.

The Bank's Q1/2021 earnings demonstrated the full power of our repositioned, well-diversified businesses.

We saw an improved performance in our P&C businesses and continued strong growth in GBM and GWM earnings.

Our Return on Equity was a healthy 14.4%, higher than our medium-term objectives and trending towards our goal of 15%.

The strong ROE of more than 17% in both our GBM and GWM businesses this quarter reflects the importance of the investments we have made in both these businesses.

The Bank generated operating leverage of 3% – a key measure of productivity – generating revenue growth in a challenging economic environment and prudently managing expense growth.

Our balance sheet and asset quality remain strong, reflected in a robust Common Equity Tier 1 ratio of 12.2%, Liquidity Coverage ratio of 129% and GIL ratio of 84 basis points.

All of these factors contributed to our top-of-class share performance since the start of our fiscal year.

They are further evidence that our strategy is working, and our repositioning efforts are having their planned effect.

We intend to build on our solid momentum throughout the balance of the year and beyond.

As I noted a few moments ago, we also made considerable investments in our digital capabilities, to drive efficiencies and give our customers a great banking experience.

We are very pleased with the Bank's digital transformation and our progress against our digital targets.

Across the Bank, active digital and mobile usage is up almost 20% from last year.

Digital sales account for more than 40% of retail banking sales and self-serve transactions are nearing 90% of all banking transactions.

Our investments are paying a digital dividend.

As an example, we have seen significant cost savings when we digitally onboard our clients.

Customers are also seeing benefits.

For example, the time taken to open an account in Colombia dropped from approximately 30 minutes to less than 10 minutes.

Your Bank will continue to make the appropriate investments to ensure we maintain our digital competitive advantage.

A lot has been said in recent years about the purpose of a corporation, and the role that businesses such as ours play in society.

AT THE BANK, WE HAVE LONG BELIEVED THAT OUR PURPOSE IS TWO-FOLD:

First, we provide profitable solutions to meet the needs of our customers, and future customers.

And second, as an important part of the economic and social fabric of every country in which we operate, we serve as a driver of broader economic growth.

We act out our purpose every day by:

- Investing in, and expanding our business.
- Standing by our customers in good and challenging times.
- Creating well-paying jobs and opportunities for our employees.
- And working to ensure that our society is one where everyone has equal access to opportunities to build a better life for themselves and their families.

I appreciate the way that the CEO of Microsoft recently put it when he said, and I quote:

> "In order to have the pie distributed evenly, the pie should first grow"

and it should never stop growing.

To remove barriers and provide greater access to opportunity, last January, we launched ScotiaRise.

Over the coming decade, through ScotiaRise, we will be making significant investments to:

- Help young people reach their full potential;
- Enable more newcomers to Canada to build a better life for themselves and their families; and
- Eliminate obstacles to inclusion throughout society.

As a Leading Bank in the Americas, we benefit enormously from diversity.

In fact, we aspire to be the Bank of choice for the diverse communities we serve, from both a customer and employee point of view.

We know that a workplace that truly reflects the communities it serves produces the strongest results.

That is why we react so adversely to discrimination of any kind.

Discrimination has no room in our Bank, or in society, and we will continue to oppose it at every opportunity.

Last year, Mark Mulroney, Vice Chair of Scotia Capital, and I were proud to join the Board of the Black North Initiative, a group dedicated to the removal of anti-Black systemic barriers.

We will continue to speak out against all forms of discrimination in partnership with groups like the Black North Initiative, whenever and wherever they arise.

We are also committed to continuing to raise the bar on Environmental, Social, and Governance matters more broadly, with investments and commitments which will:

- Maintain, or indeed strengthen, our ranking in the top 1% of global financial institutions in terms of corporate governance practices;
- Promote economic resilience in our communities; and
- Improve environmental sustainability and enable a transition to lower carbon emissions.

Most recently, I challenged the Bank's senior leadership team to map out a concrete plan with interim targets, timelines, and transparent reporting to reach net-zero carbon emissions by 2050.

This is a goal we will achieve, and we are committed to providing annual updates on our progress.

AS WE HAVE SEEN OVER THE PAST YEAR, THE DECISIONS WE MAKE MATTER.

Our decisions today, as Scotiabankers, affect not only the future of the Bank.

They affect the future of the countries in which we live and work, and determine the kind of world the next generation will inherit.

Looking at the situation here, in Canada, the COVID-19 pandemic has, of course, been a massive shock to our economy.

But in reality, we had been experiencing slower growth prior to the pandemic.

Over the past 20 years, Canada's annual GDP growth rate has averaged less than 2%.

And we are not the only country.

Advanced economies around the world have struggled with economic stagnation.

There are a number of reasons for this: convenience and complacency being chief among them.

As a country we should not accept the "2% growth trap".

WE HAVE AN OPPORTUNITY TODAY TO PURSUE POLICIES THAT ENSURE THAT CANADA DOES NOT JUST GO BACK TO PRE-PANDEMIC GROWTH BUT ACHIEVES EVEN HIGHER AND BETTER GROWTH FOR A SUSTAINED PERIOD.

The Bank has been researching and advocating on this topic for some time.

All Canadians benefit from a strong and growing economy, which is why we are proposing three concrete recommendations that would:

- have a direct and positive impact on Canada's GDP;
- increase the number of working Canadians; and
- contribute to a stronger and more prosperous Canada.

Firstly, we are recommending an annual top up of $5,000 per child to the Canada Child Benefit.

We are also advocating for a significant increase to the Canada child tax credit to allow parents to fully deduct the cost of preschool child care.

While child-care costs vary dramatically across the country, increasing the tax credit to $20,000 per child, per year should cover the cost of daycare in every Canadian city.

More often than not, women are the ones who set aside their career ambitions to ensure their children receive quality care and education.

Providing greater flexibility to families to find child-care arrangements that are best suited for them is good for women, it's good for families, and it's good for the country.

Secondly, we are proposing a one-time, matching grant for businesses to make capital investments in machinery, equipment, and intellectual property.

For example,

- a small business could digitize their business and enhance their ability to reach customers;
- a medium-sized business might want to re-tool a factory to be more efficient;
- or a large business looking to reduce energy costs and improve their environmental footprint might utilize funds to build-out carbon capture and storage or electrification.

Capital investments make businesses more globally competitive, improve Canada's productivity, and drive innovation.

These two policies could make a meaningful impact on Canada's economic trajectory.

In fact, our investment incentive proposal alone could boost business investment as a share of GDP by up to one percentage point, adding $100 billion to Canada's economy over five years.

Thirdly, Canada's GDP growth could be boosted by the elimination of interprovincial trade barrier, something which we have been advocating for many years.

A working paper produced by the IMF estimates that complete liberalization of internal trade in goods can increase Canada's GDP per capita by about 4% per year.

CANADA IS A TRADING NATION.

We produce goods and services wanted by partners around the world, and we have been a leader in promoting free trade and open markets.

Let's prioritize free trade between provinces and territories in the same way we prioritize free trade between countries.

There is considerable evidence that these three policy recommendations would play an important role in strengthening our economy at this critical time.

And they would help to ensure that Canada does not permanently fall into the 2% trap.

These policies are common sense.
They make good business sense.
And they benefit all Canadians.

LET ME CLOSE WITH THIS:

Several weeks ago, I was touring the site of Scotiabank's new head office here, in Toronto.

Despite the enormous challenges presented by the pandemic, construction has progressed exceedingly well.

Travelling to and from the office each day, I watched as a deep pit in the ground was transformed into an impressive tower.

During the tour, I was reminded that we are a country full of people who are capable of imagining and creating great things.

From skyscrapers, to the next generation of telecommunication technology, to life-saving vaccines.

We have an opportunity today to decide what future we're going to build.

Let it be a future of dynamism, growth, and prosperity.

One that is truly inclusive and benefits all Canadians.

Thank you for your time.