

International Banking Investor Day

Mexico



Colombia



Chile



Peru



Introduction

Mexico



Colombia



Chile



Peru



Agenda

Session	Speaker
<i>Breakfast</i>	
<i>Regency Room E (2nd floor, Hyatt Regency)</i>	
International Banking Investor Day	<i>Regency Room D (2nd floor, Hyatt Regency)</i>
Opening Remarks	Jake Lawrence, SVP INVESTOR RELATIONS
All-Bank Overview	Brian Porter, PRESIDENT & CHIEF EXECUTIVE OFFICER
International Banking Overview	Dieter Jentsch, GROUP HEAD, INTERNATIONAL BANKING
<i>Question & Answer</i>	
<i>Break</i>	
Mexico Overview	Enrique Zorrilla, SVP & COUNTRY HEAD, MEXICO
Mexico Retail Banking	Carlos Lomelí, SVP, RETAIL BANKING, MEXICO
Mexico Business Banking	Jose Luis Zepeda, SVP, COMMERCIAL BANKING, MEXICO
Mexico Closing Remarks	Enrique Zorrilla, SVP & COUNTRY HEAD, MEXICO
<i>Question & Answer</i>	
<i>Lunch</i>	
Digital Strategy	Stacey Madge, SVP, INTERNATIONAL RETAIL BANKING
Scotiabank Site Tours	
- Contact Centre	
- Retail Branch	Stacey Madge, SVP, INTERNATIONAL RETAIL BANKING Carlos Lomeli, SVP RETAIL BANKING, MEXICO

Caution Regarding Forward Looking Statements

Our public communications often include oral or written forward-looking statements. Statements of this type are included in this document, and may be included in other filings with Canadian securities regulators or the U.S. Securities and Exchange Commission, or in other communications. All such statements are made pursuant to the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. Forward-looking statements may include, but are not limited to, statements made in this Management’s Discussion and Analysis in the Bank’s 2015 Annual Report under the headings “Overview – Outlook,” for Group Financial Performance “Outlook,” for each business segment “Outlook” and in other statements regarding the Bank’s objectives, strategies to achieve those objectives, the regulatory environment in which the Bank operates, anticipated financial results (including those in the area of risk management), and the outlook for the Bank’s businesses and for the Canadian, U.S. and global economies. Such statements are typically identified by words or phrases such as “believe,” “expect,” “anticipate,” “intent,” “estimate,” “plan,” “may increase,” “may fluctuate,” and similar expressions of future or conditional verbs, such as “will,” “may,” “should,” “would” and “could.” By their very nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, and the risk that predictions and other forward-looking statements will not prove to be accurate. Do not unduly rely on forward-looking statements, as a number of important factors, many of which are beyond the Bank’s control and the effects of which can be difficult to predict, could cause actual results to differ materially from the estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to: the economic and financial conditions in Canada and globally; fluctuations in interest rates and currency values; liquidity and funding; significant market volatility and interruptions; the failure of third parties to comply with their obligations to the Bank and its affiliates; changes in monetary policy; legislative and regulatory developments in Canada and elsewhere, including changes to, and interpretations of tax laws and risk-based capital guidelines and reporting instructions and liquidity regulatory guidance; changes to the Bank’s credit ratings; operational (including technology) and infrastructure risks; reputational risks; the risk that the Bank’s risk management models may not take into account all relevant factors; the accuracy and completeness of information the Bank receives on customers and counterparties; the timely development and introduction of new products and services in receptive markets; the Bank’s ability to expand existing distribution channels and to develop and realize revenues from new distribution channels; the Bank’s ability to complete and integrate acquisitions and its other growth strategies; critical accounting estimates and the effects of changes in accounting policies and methods used by the Bank (See “Controls and Accounting Policies – Critical accounting estimates” in the Bank’s 2015 Annual Report, as updated by quarterly reports); global capital markets activity; the Bank’s ability to attract and retain key executives; reliance on third parties to provide components of the Bank’s business infrastructure; unexpected changes in consumer spending and saving habits; technological developments; fraud by internal or external parties, including the use of new technologies in unprecedented ways to defraud the Bank or its customers; increasing cyber security risks which may include theft of assets, unauthorized access to sensitive information or operational disruption; consolidation in the Canadian financial services sector; competition, both from new entrants and established competitors; judicial and regulatory proceedings; natural disasters, including, but not limited to, earthquakes and hurricanes, and disruptions to public infrastructure, such as transportation, communication, power or water supply; the possible impact of international conflicts and other developments, including terrorist activities and war; the effects of disease or illness on local, national or international economies; and the Bank’s anticipation of and success in managing the risks implied by the foregoing. A substantial amount of the Bank’s business involves making loans or otherwise committing resources to specific companies, industries or countries. Unforeseen events affecting such borrowers, industries or countries could have a material adverse effect on the Bank’s financial results, businesses, financial condition or liquidity. These and other factors may cause the Bank’s actual performance to differ materially from that contemplated by forward-looking statements. For more information, see the “Risk Management” section starting on page 66 of the Bank’s 2015 Annual Report. Material economic assumptions underlying the forward-looking statements contained in this document are set out in the 2015 Annual Report under the heading “Overview – Outlook,” as updated by quarterly reports; and for each business segment “Outlook”. The “Outlook” sections in this document are based on the Bank’s views and the actual outcome is uncertain. Readers should consider the above-noted factors when reviewing these sections. The preceding list of factors is not exhaustive of all possible risk factors and other factors could also adversely affect the Bank’s results. When relying on forward-looking statements to make decisions with respect to the Bank and its securities, investors and others should carefully consider the preceding factors, other uncertainties and potential events. The Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf. Additional information relating to the Bank, including the Bank’s Annual Information Form, can be located on the SEDAR website at www.sedar.com and on the EDGAR section of the SEC’s website at www.sec.gov.

All-Bank Overview

Mexico



Colombia



Chile



Peru



International Banking Overview

Mexico



Colombia



Chile



Peru



Agenda

Who We Are Today

Why We Bank the Pacific Alliance

How We Have Performed

What Our Strategy Is

What Is Driving Our Growth

International Banking Has a Diversified Franchise

Three Operating Regions:

- Latin American
- Caribbean & Central America
- Asia

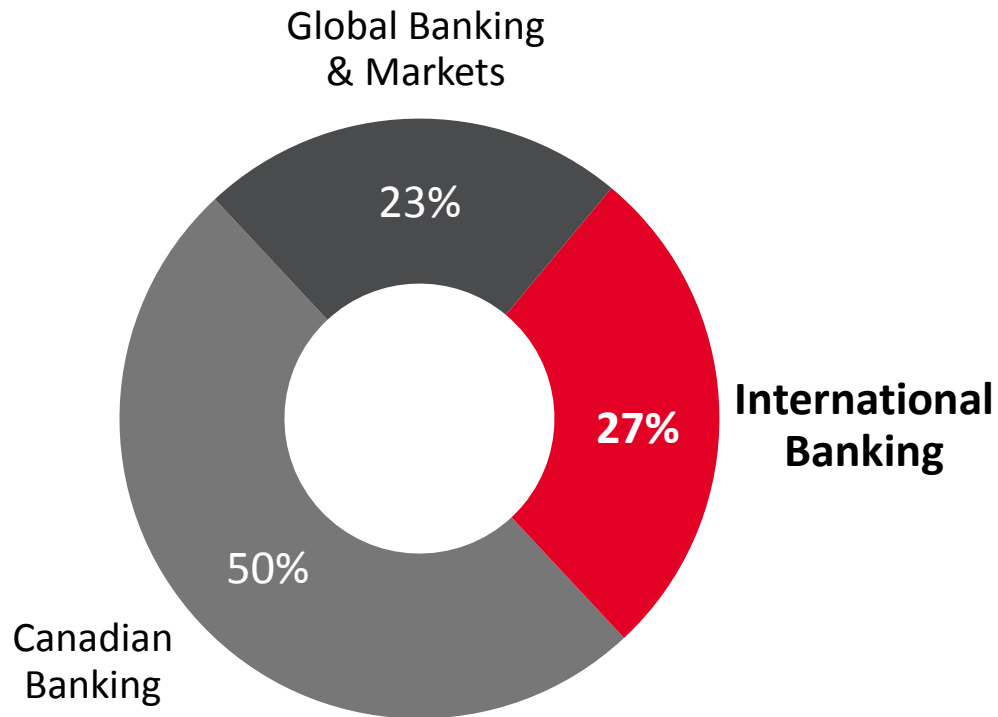
Customers	14 million
Branches	>1,800
Contact centres	8
Key strategic alliances	12
Employees	>51,000
Total net income	\$1.85 billion
Average loans	\$93 billion
Average deposits	\$74 billion
ROEE / ROA	12.8% / 1.6%

Fiscal year end . Net income after minority interest.
Excluding associates (exception: net income, ROE/ROA)
Statistics as at October 31, 2015

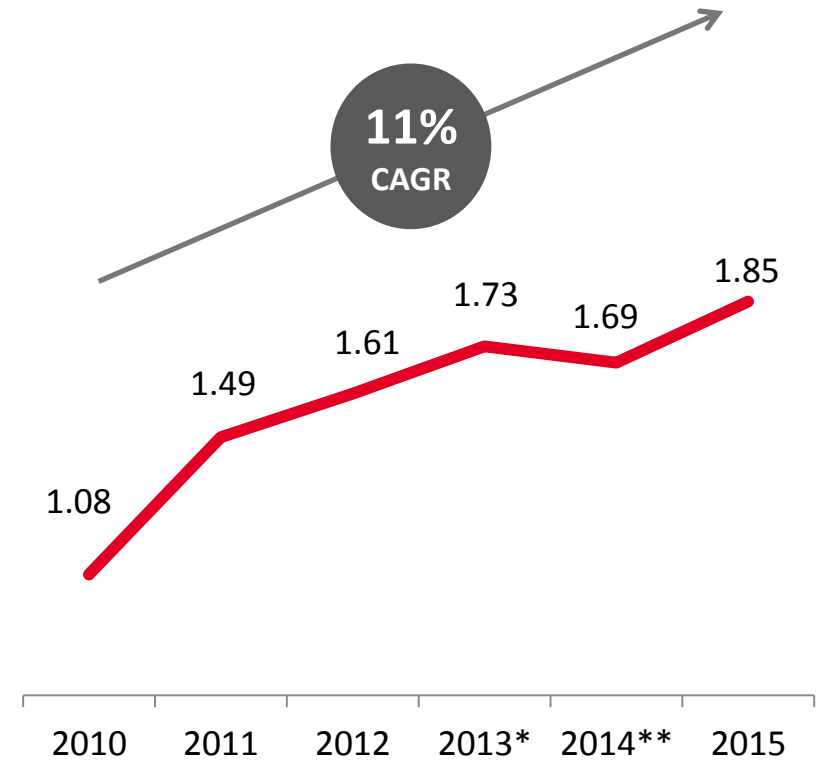


International Banking at a Glance

Earnings by Business Line



International Banking Earnings Growth (\$ billions)

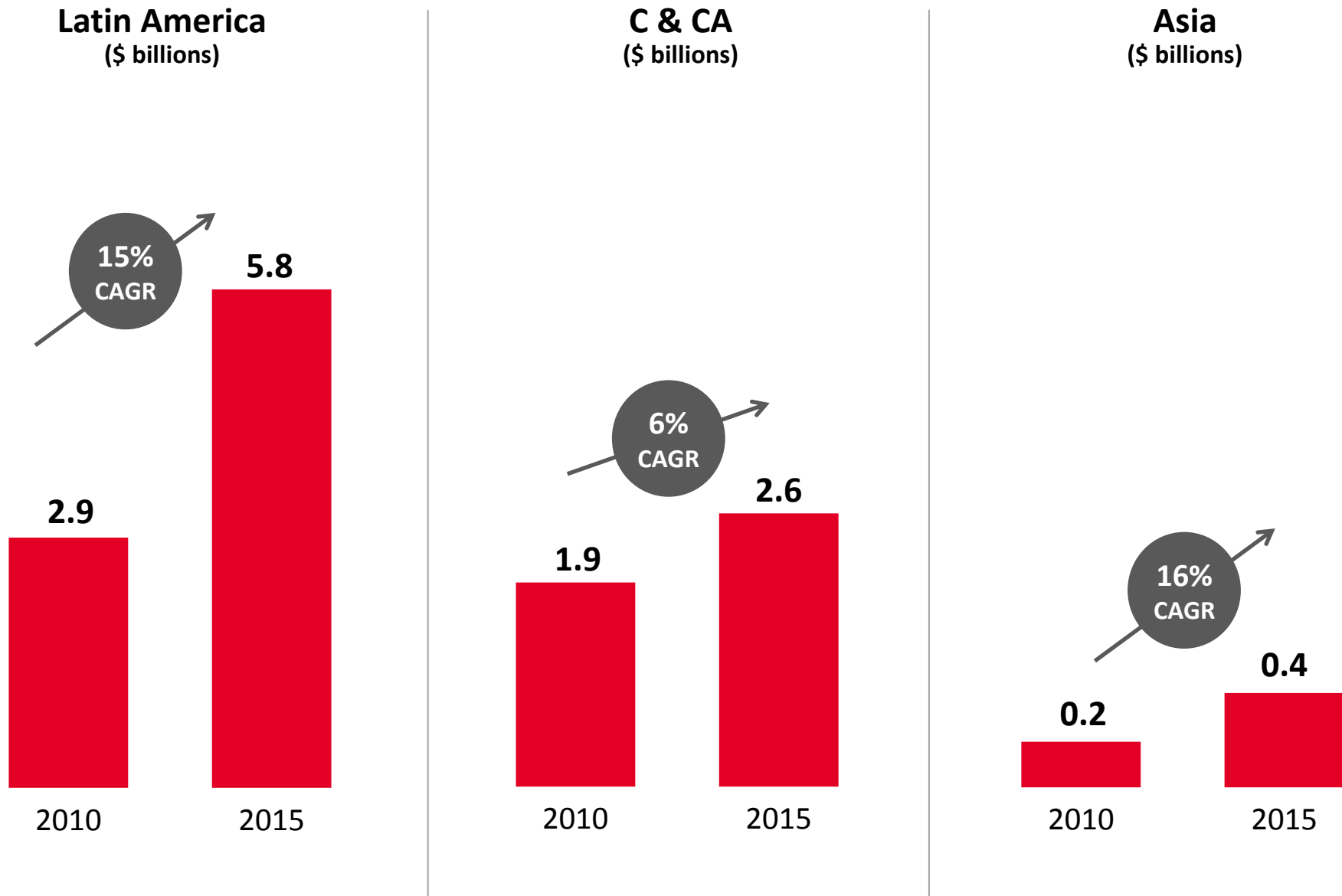


Fiscal year end 2015 excluding Other Segment

* 2013 adjusted for +\$90MM notable items (T-life, PR and UR)

** 2014 adjusted for -\$74MM notable items (restructuring costs and Banco del Caribe)

Breakdown of Revenues by Region for International Banking



Fiscal year end

Agenda

Who We Are Today

Why We Bank the Pacific Alliance

How We Have Performed

What Our Strategy Is

What Is Driving Our Growth

Key Takeaways for the Pacific Alliance

THE POSITIONING

Investing in the right
Latin American markets

THE STRATEGY

Driving a clear
growth strategy

THE EXECUTION

Capitalizing effectively
on the opportunities

3-5 Year Targets

9-11% Earnings
CAGR growth

<52% Productivity
ratio

Positive Operating
leverage

Constant FX

Investment Thesis Centered on the Pacific Alliance



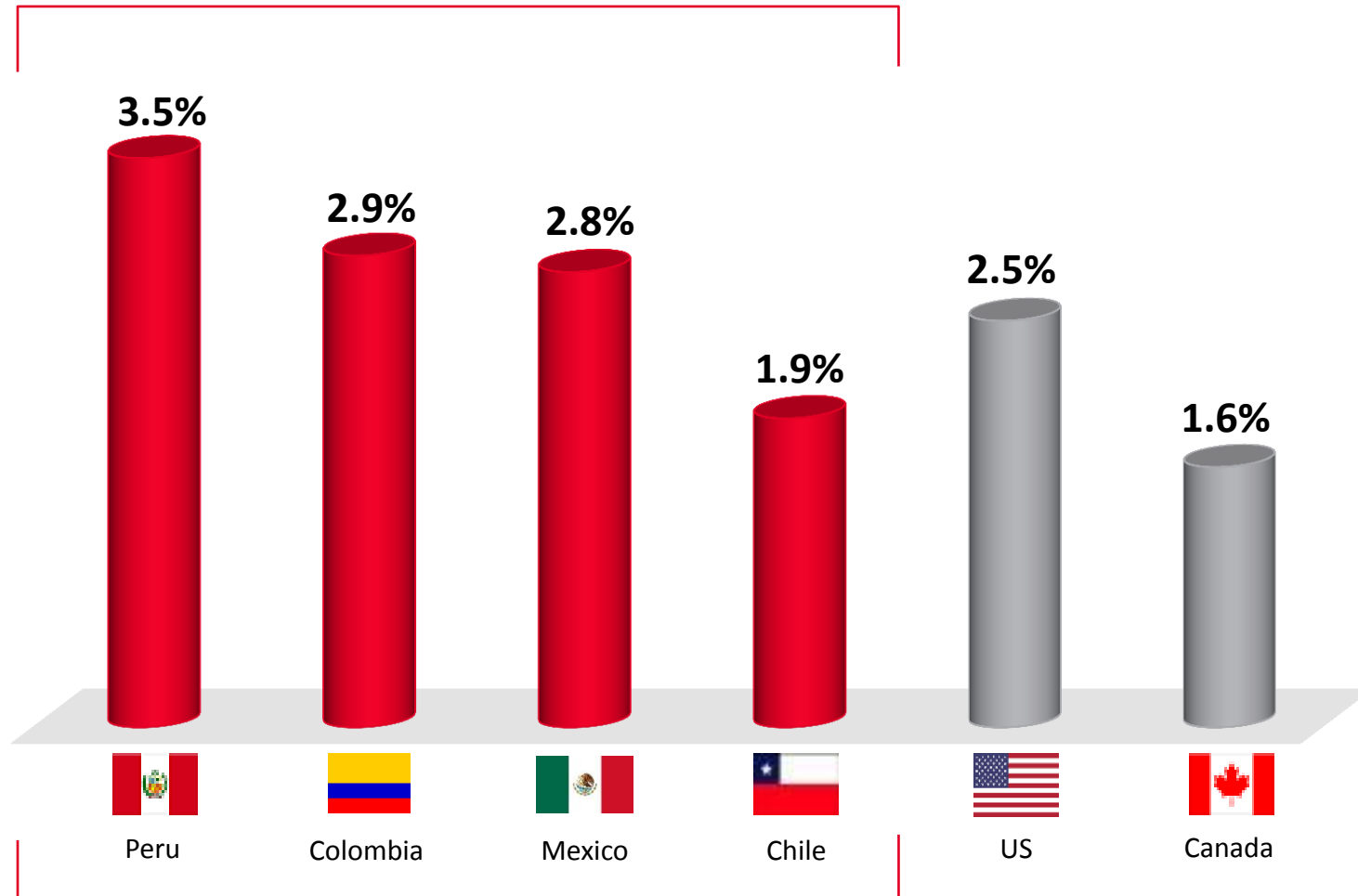
Investment Thesis

1. Solid macro-economic fundamentals
2. Sound and stable banking environment
3. Fast growing middle class, low banking penetration and low consumer indebtedness

Investment Thesis Element #1:

Strong Growth Prospects in the Pacific Alliance

2016 GDP Forecast with a Weighted Average of 2.8%

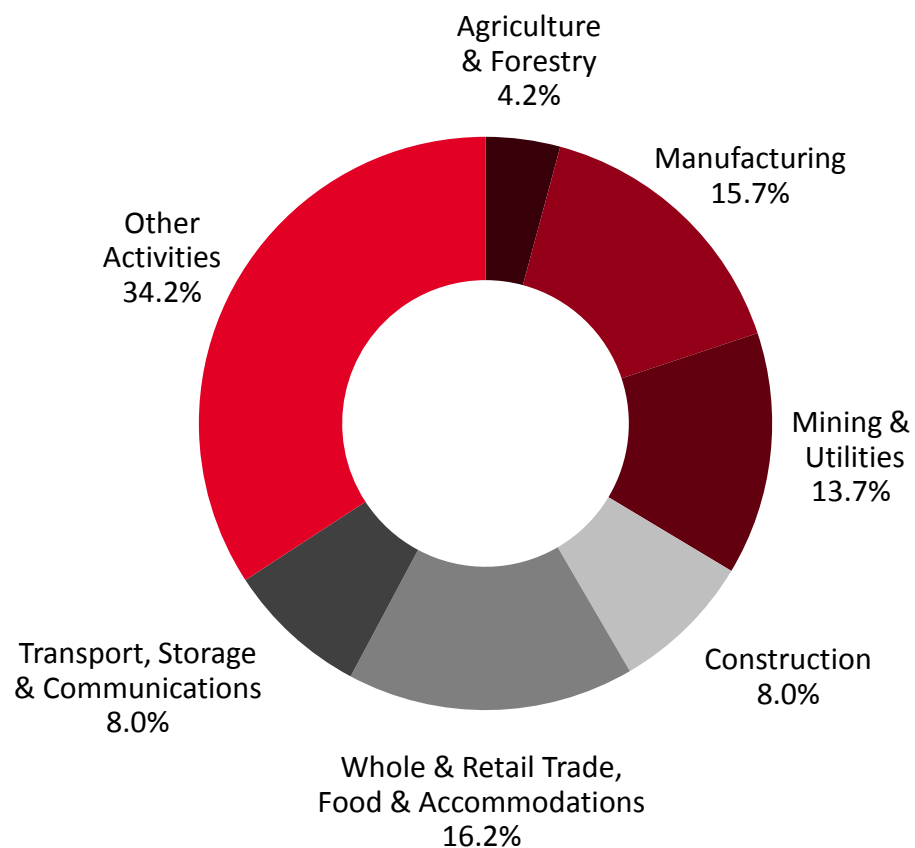


Source: Scotiabank Economics, IMF WEO October 2015

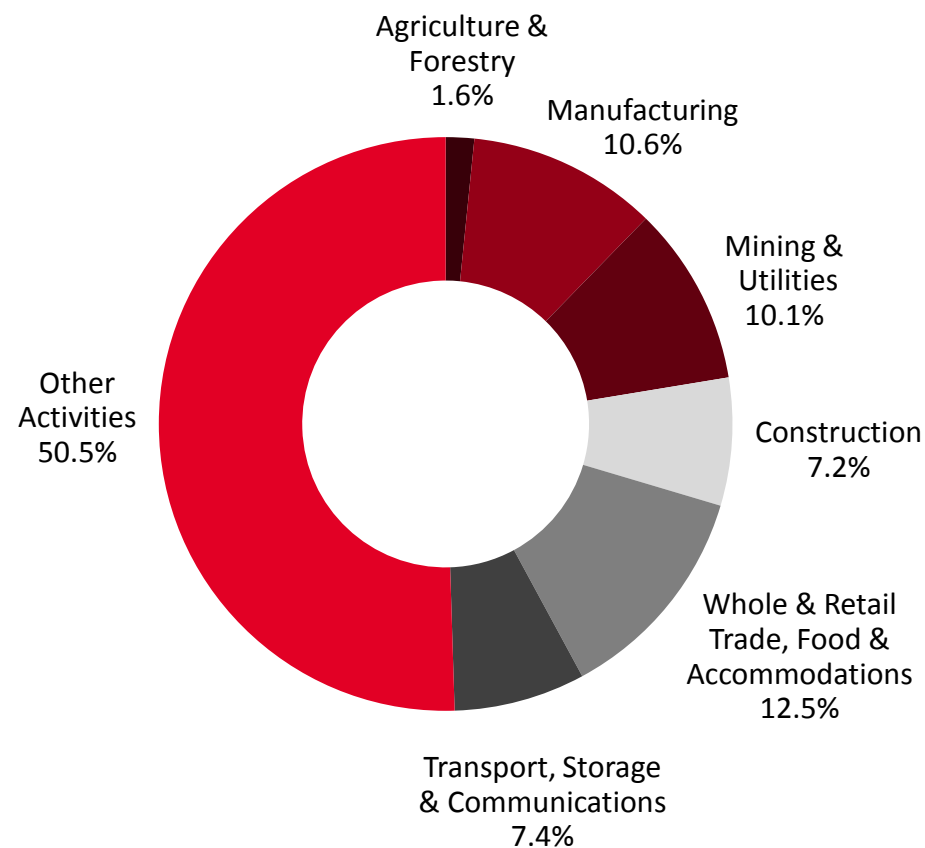
Investment Thesis Element #1 (continued):

Low Economic Volatility & Exposure to Commodities

Pacific Alliance GDP by Sector



Canada GDP by Sector



Source: Scotiabank Economics, United Nations National Accounts Database (2013)

Sound & Stable Banking Environment



Credible central bankers



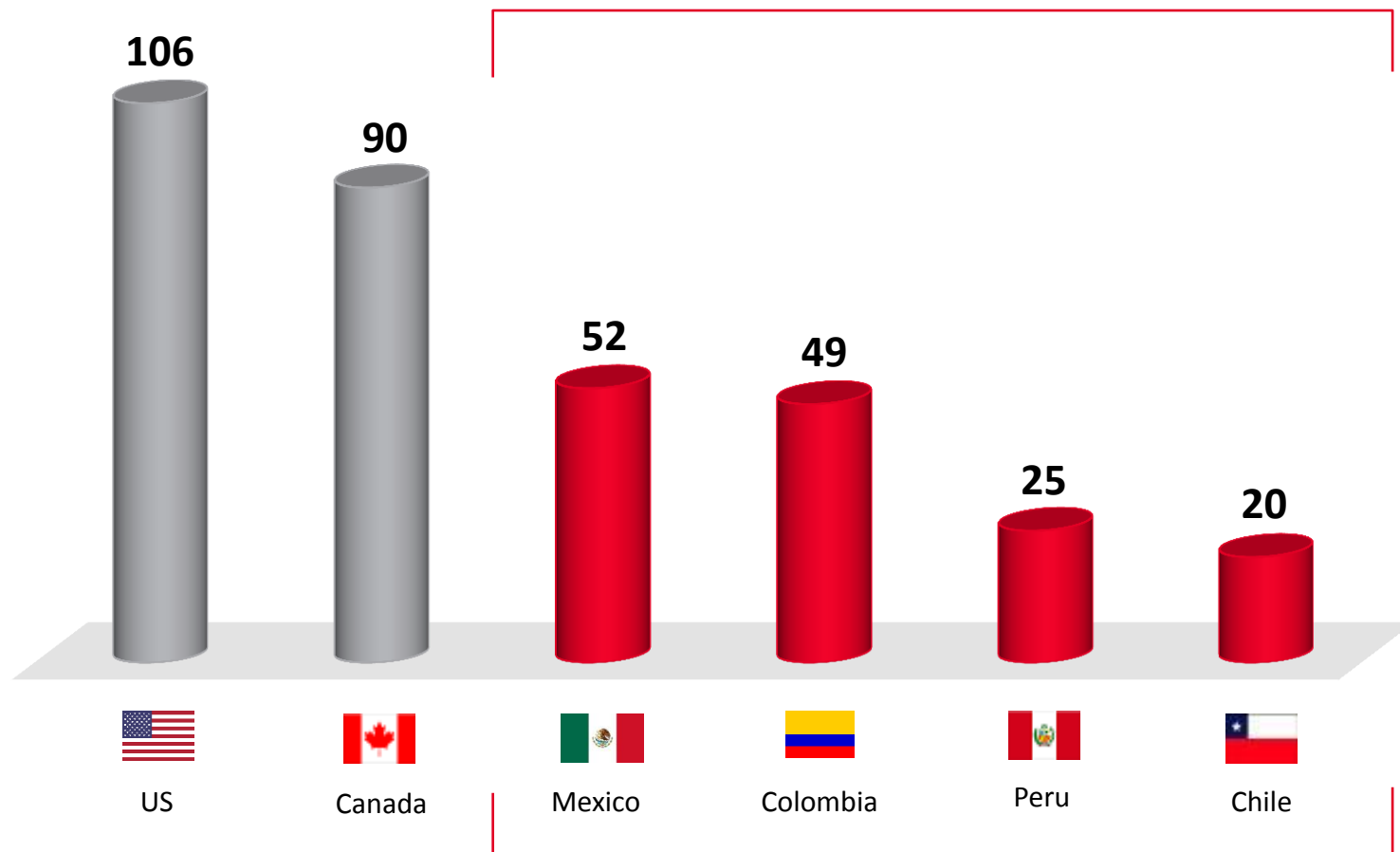
Well-capitalized banking system



Strong regulatory environment

Investment Thesis Element #2 (continued): Prudent Fiscal Management

General Gross Government Debt, Total (% GDP)



- ✓ Growth oriented governments
- ✓ High levels of trade liberalization

Source: Scotiabank Economics, IMF WEO October 2015

Investment Thesis Element #2 (continued):

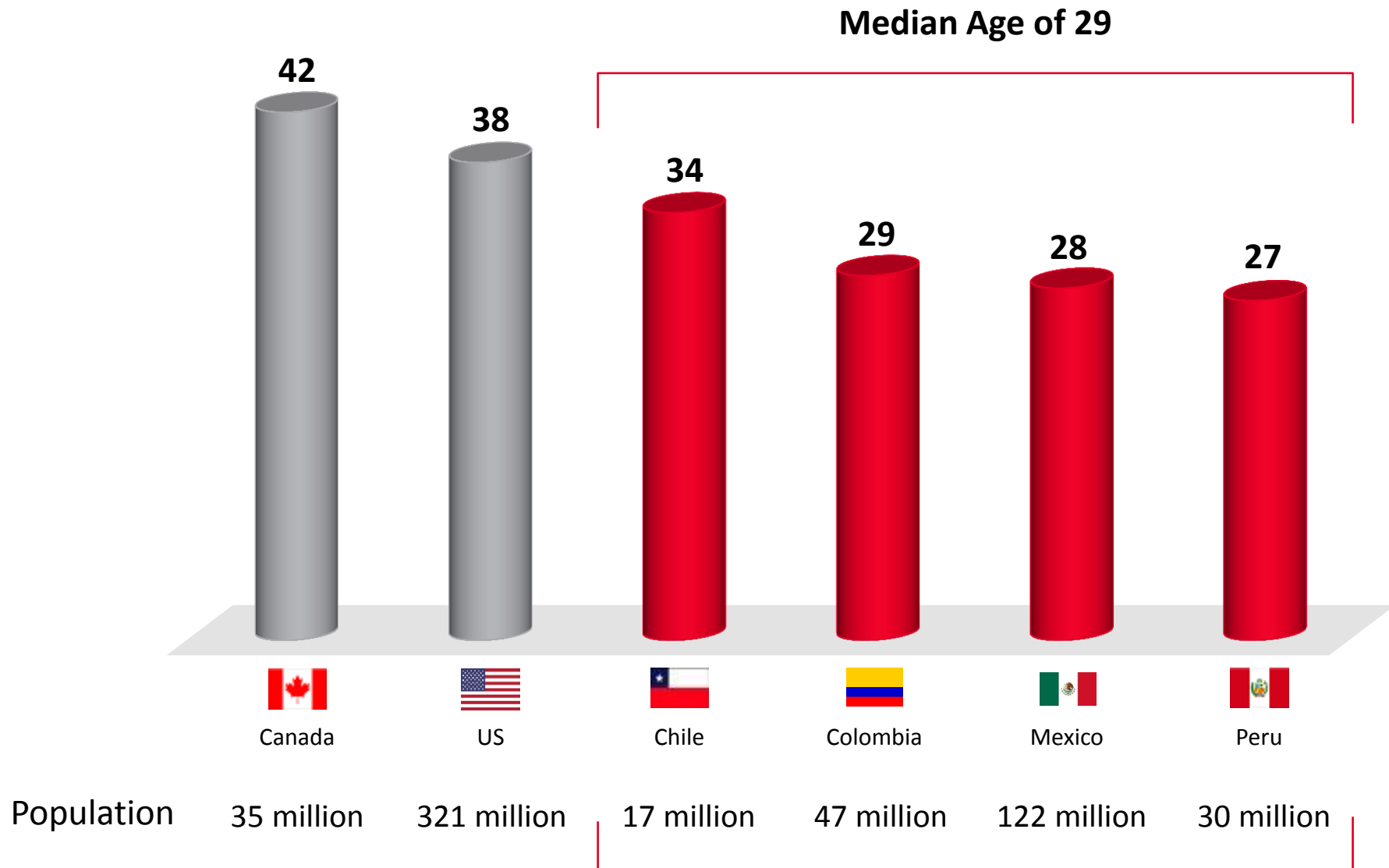
Supported by Stable Credit Ratings

Investment Grade Sovereign Credit Rating

	Mexico	Peru	Colombia	Chile	Canada	US
						
MOODY'S	A3	A3	Baa2	Aa3	Aaa	Aaa
STANDARD & POOR'S	BBB+	BBB+	BBB	AA-	AAA	AA+
FitchRatings	BBB+	BBB+	BBB	A+	AAA	AAA

Source: Scotiabank Economics

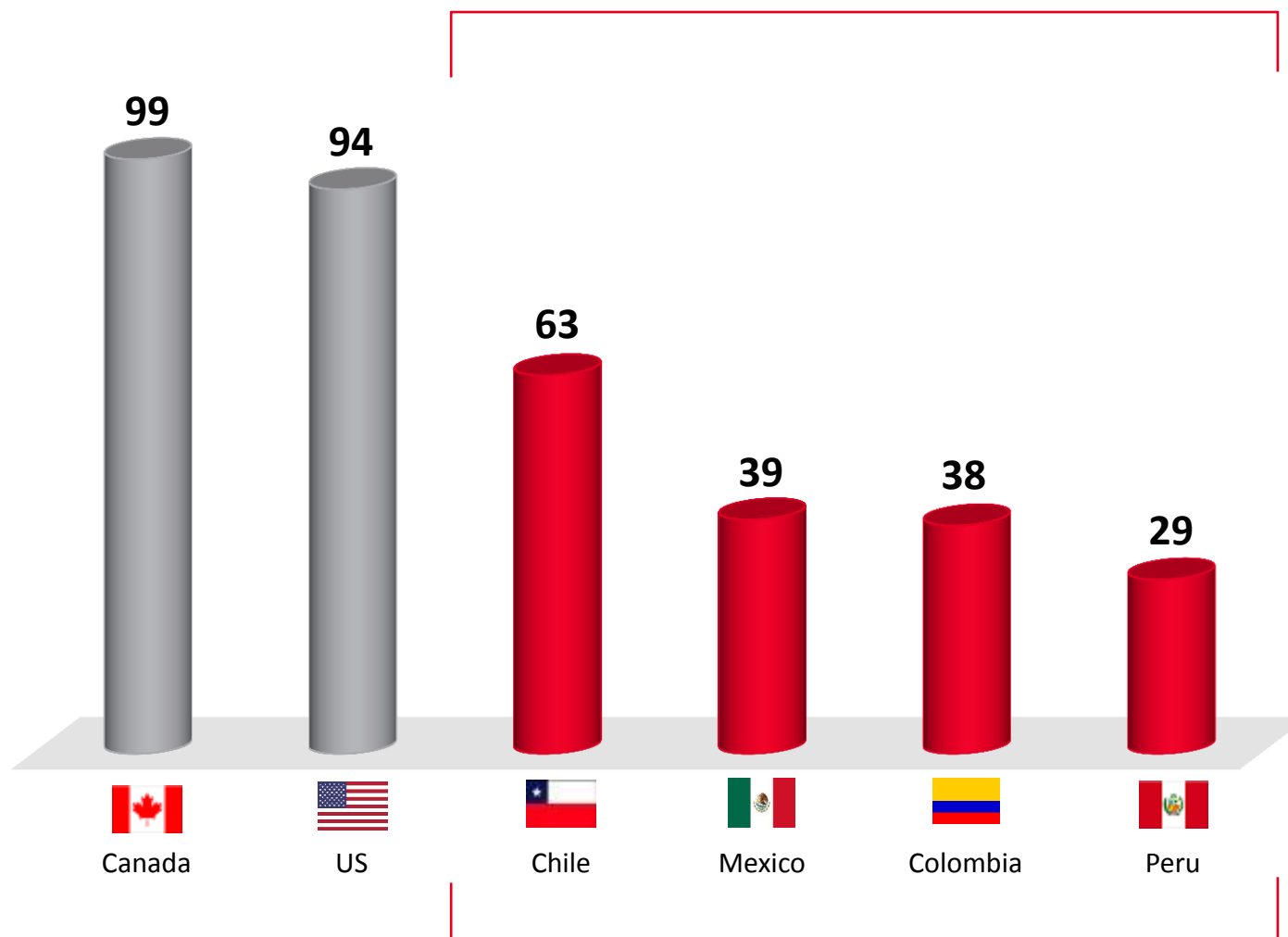
Investment Thesis Element #3: Favourable Demographics



Source: The World Fact Book 2015

Opportunity to Provide More Banking Products & Services

Financial Institution Account (% age 15+)



Source: World Bank 2015

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Who We Are Today

Why We Bank the Pacific Alliance

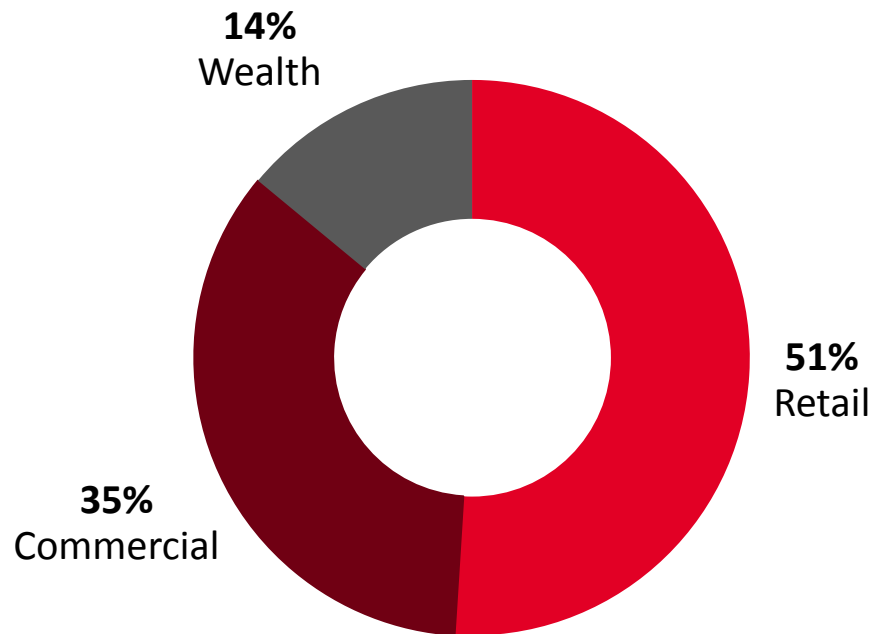
How We Have Performed

What Our Strategy Is

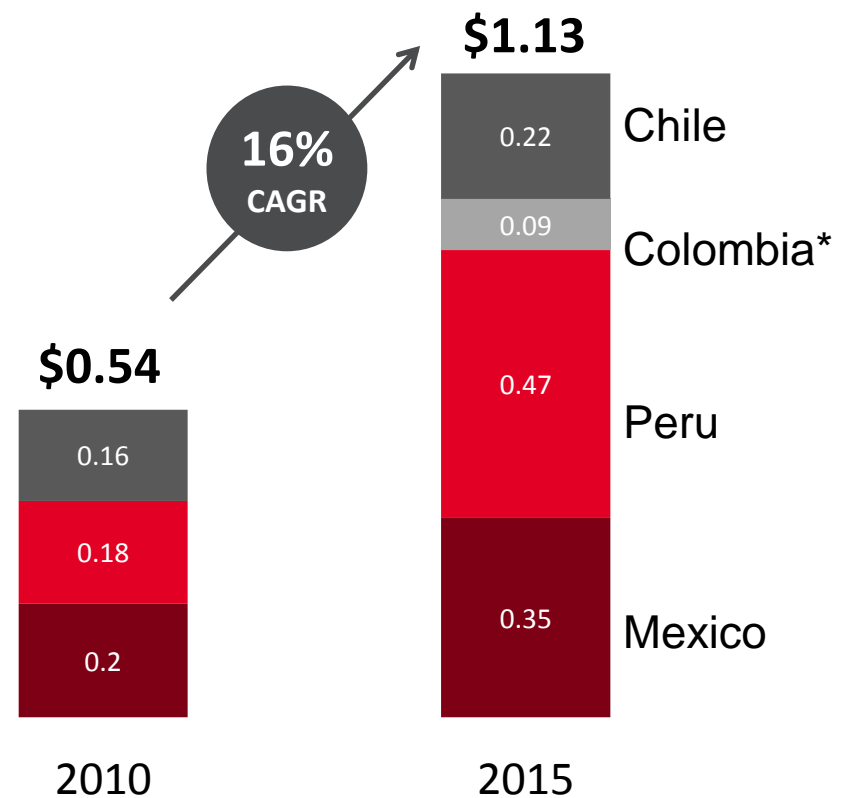
What Is Driving Our Growth

Strong Diversified Earnings Growth in the Pacific Alliance

Business Mix



NIAT by Focus Markets
(\$ billions)



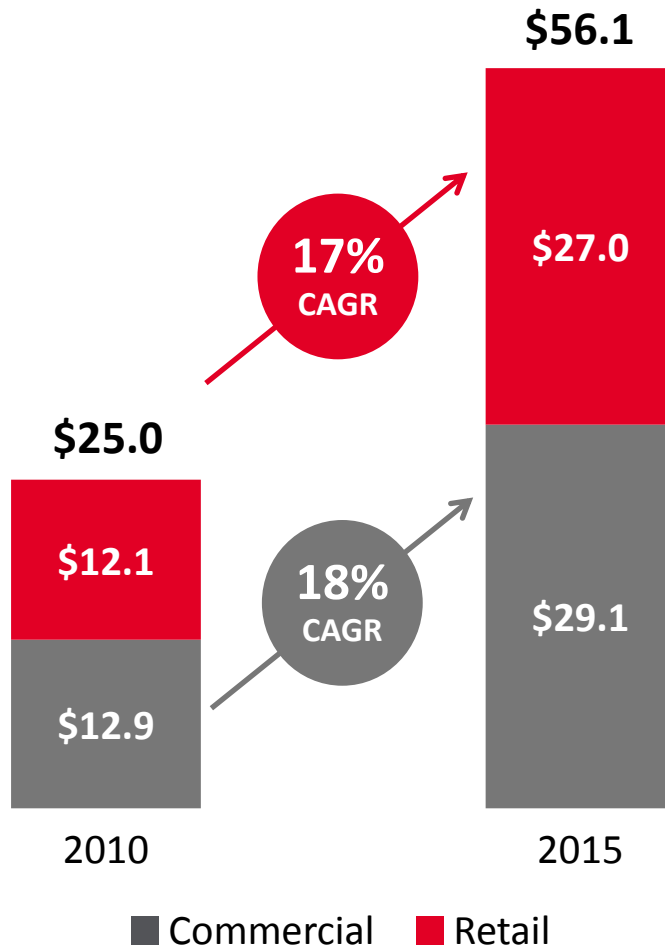
Fiscal year end

*Colpatría acquired in 2012

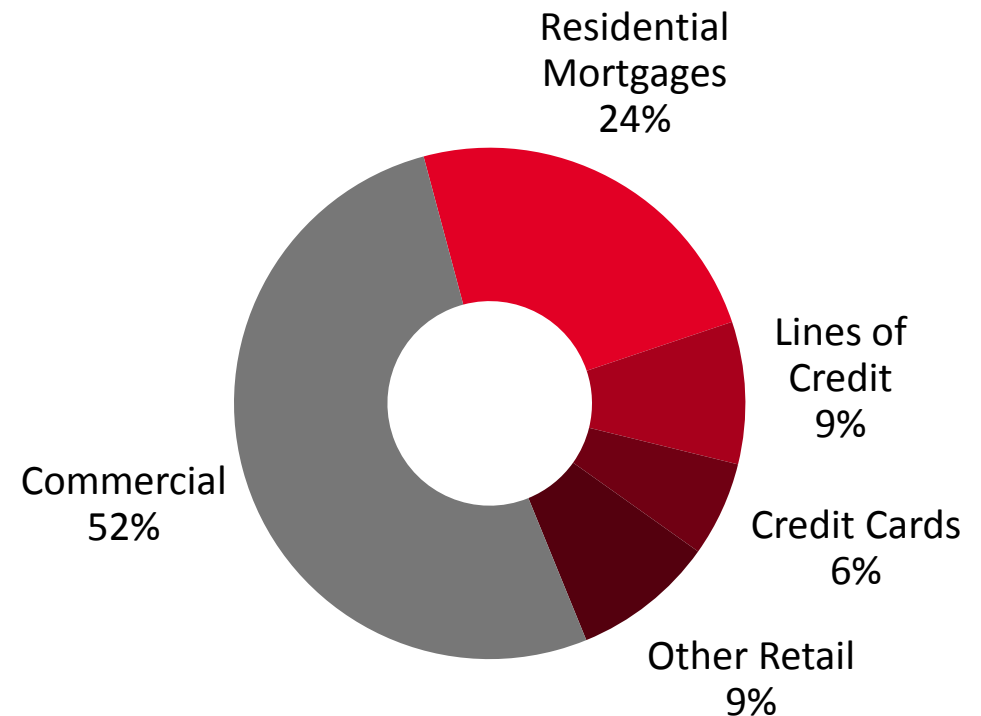
Business mix based on NIAT (pre-NCI), NIAT by focus market based on NIAT after NCI

Strong Balanced Loan Growth & Well Diversified Portfolio in the Pacific Alliance

Average Loans
(\$ billions, CAGR 18%)



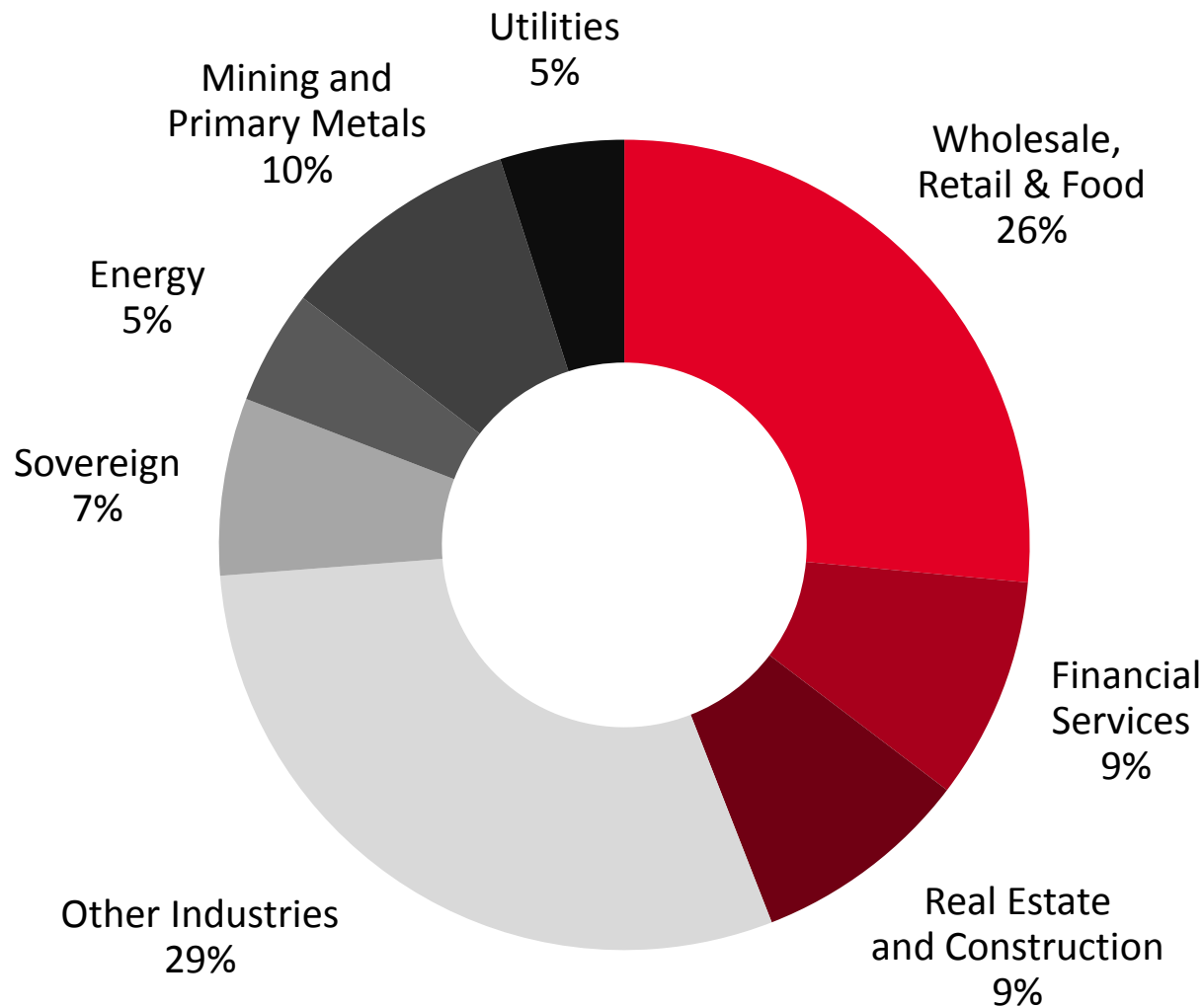
Portfolio Breakdown



Fiscal year end

Diverse Portfolio by Industry for the Pacific Alliance

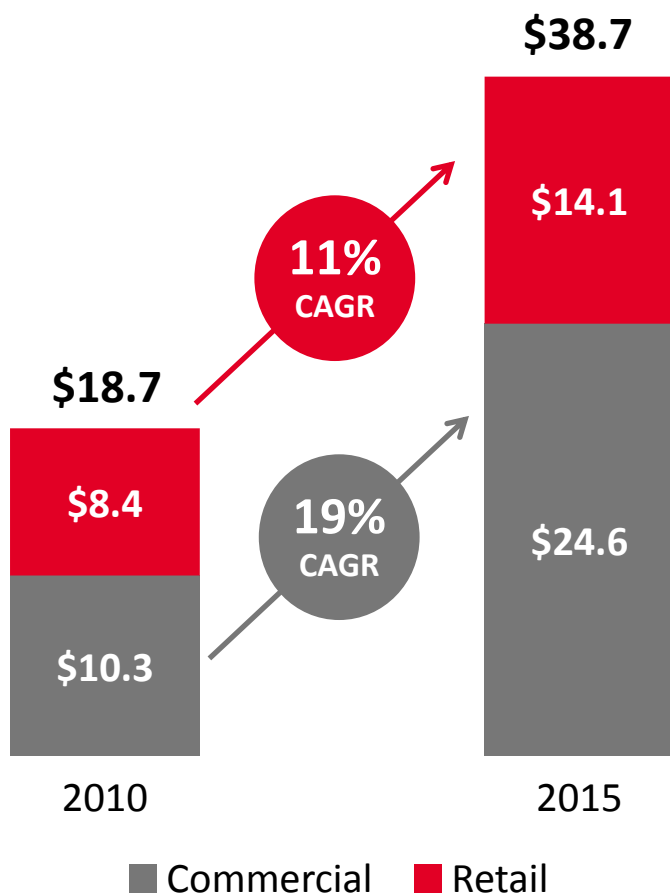
Corporate & Commercial Industry Distribution



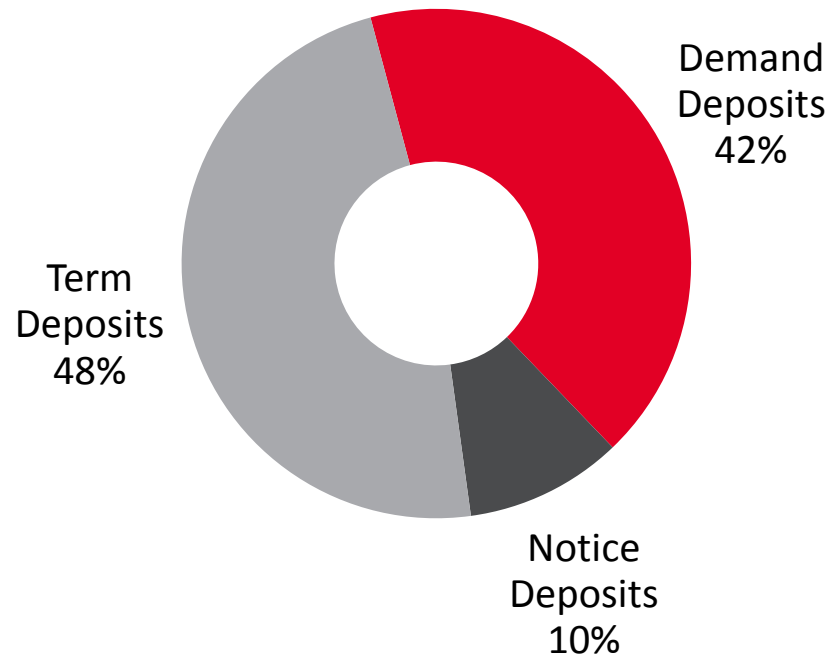
Fiscal year end 2015

Strong Deposit Growth and Funding Mix in the Pacific Alliance

Average Deposits
(\$ billions, CAGR 16%)



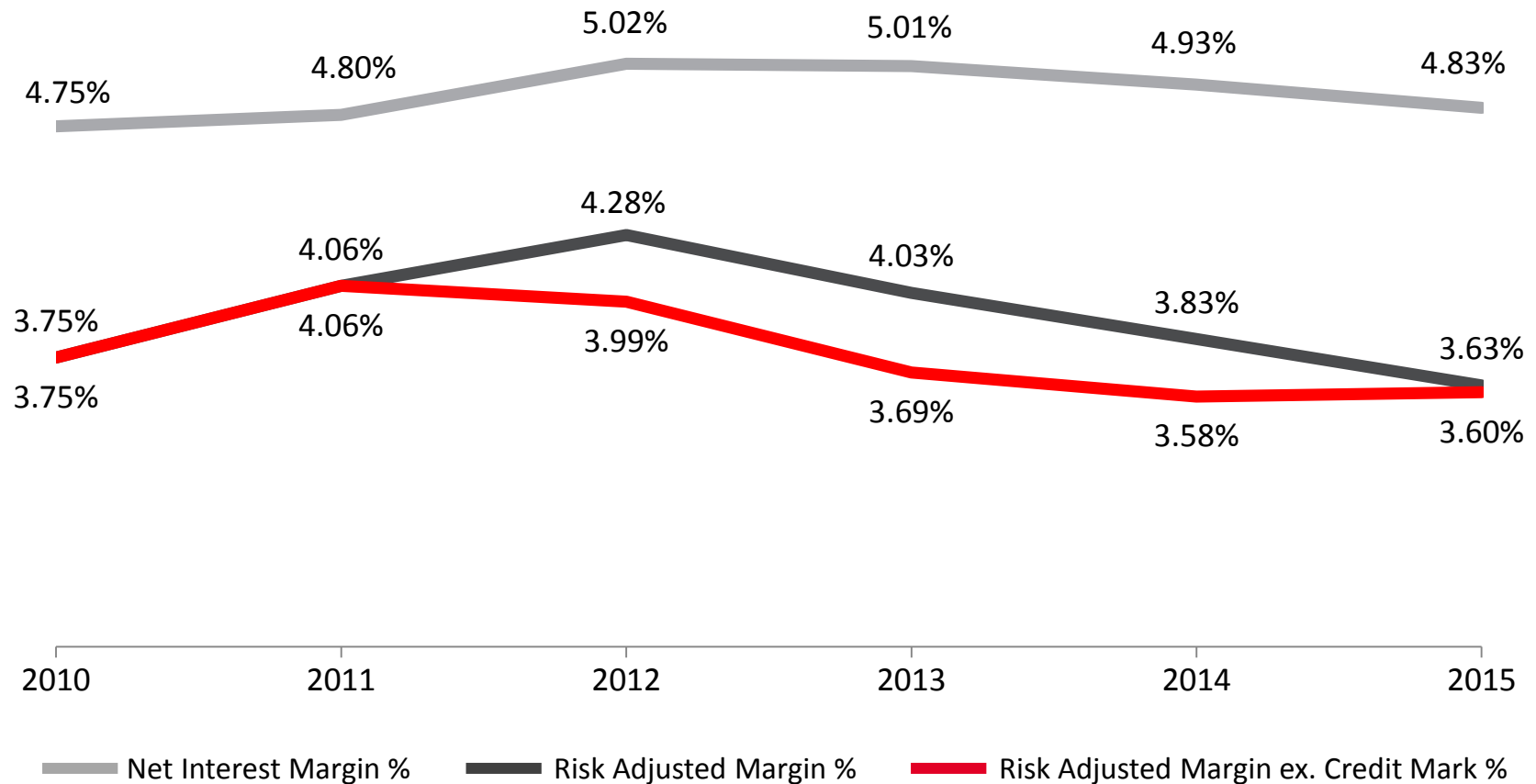
Portfolio Breakdown



Fiscal year end

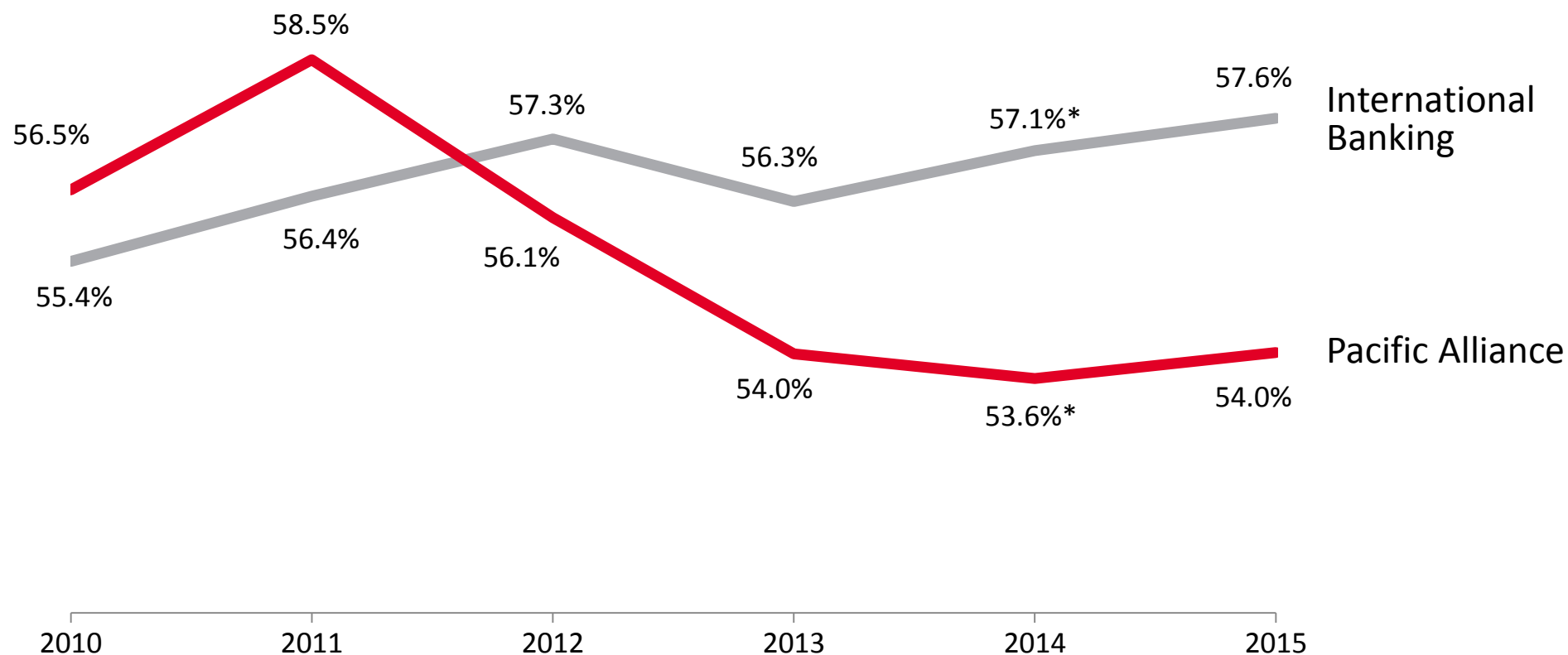
Higher Spreads and Well Compensated for Risk

Pacific Alliance – Margin / Risk Adjusted Margin¹



¹ On average earning assets
Fiscal year end

Clear Focus on Productivity Improvement



• Adjusted for Q4/14 restructuring charges
Fiscal year end

Expecting positive operating leverage

Pacific Alliance Has Good Levels of Total Local Capital

	Regulator Requirement	September 2015	Peers (average)
Mexico	11%	12.5%	15%
Peru	10%	13.8%	14%
Colombia	9%	11.4%	15%
Chile	8%	11.3%	12%

Source: Local Total Capital Ratio

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Who We Are Today

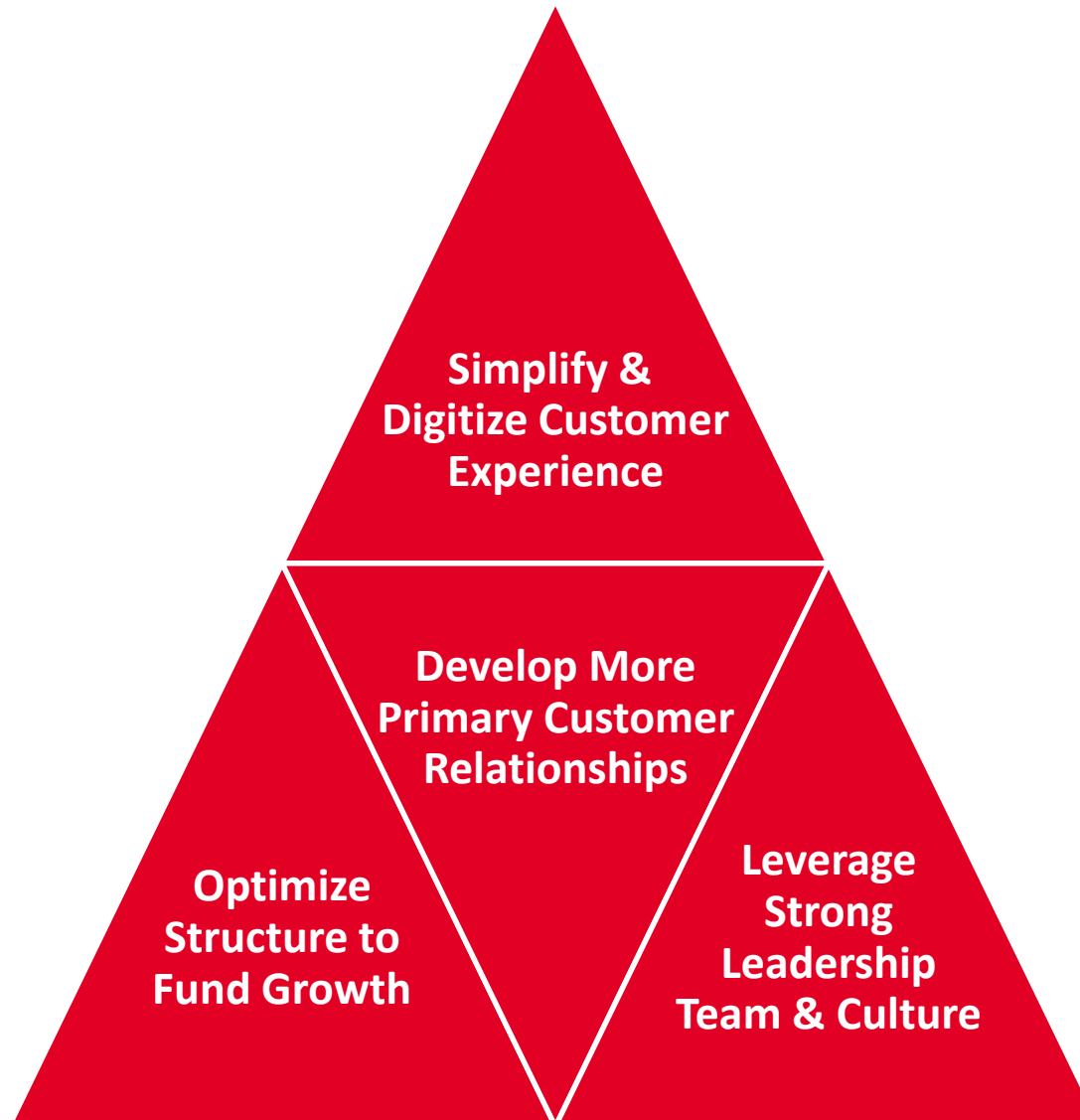
Why We Bank the Pacific Alliance

How We Have Performed

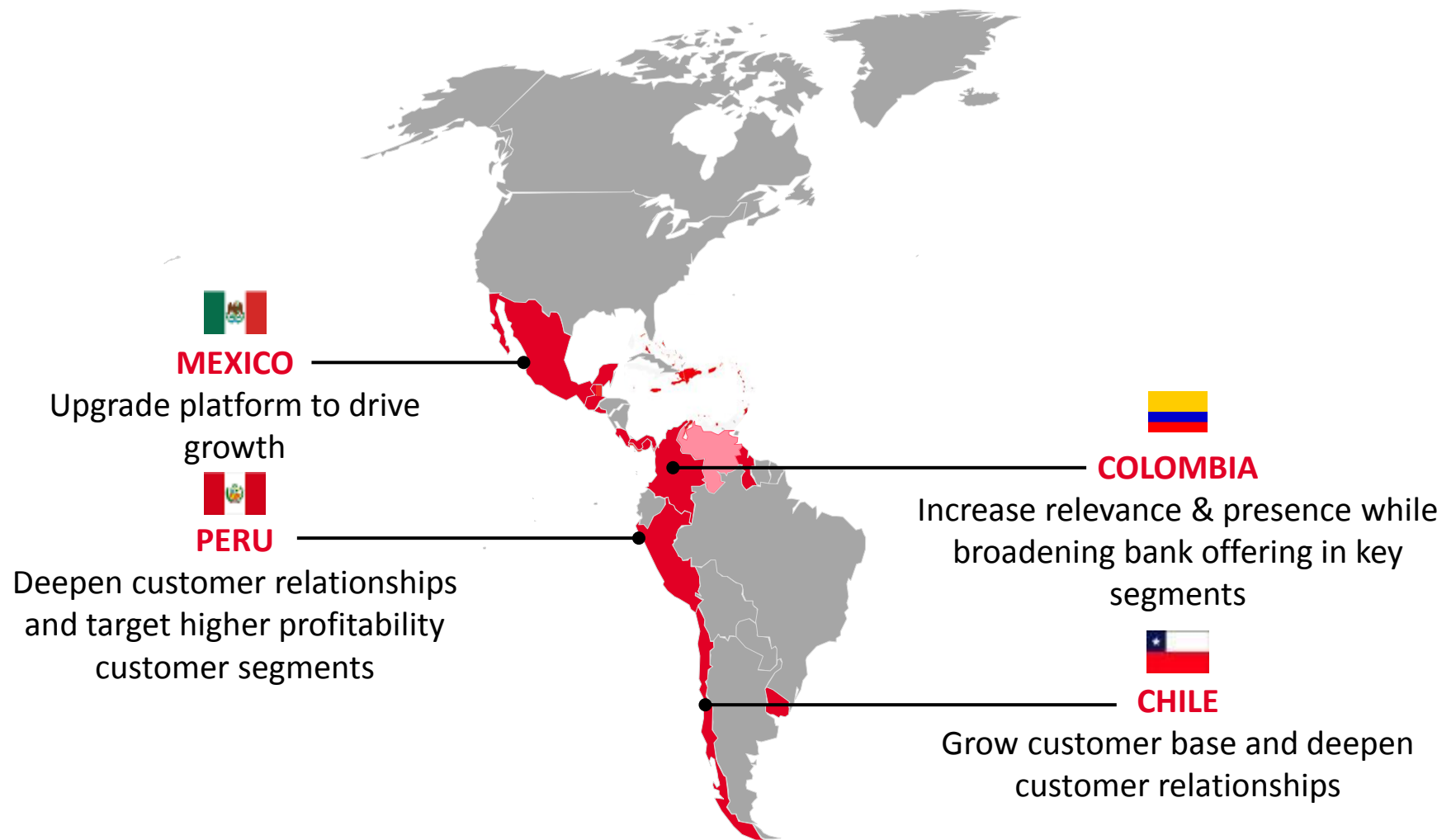
What Our Strategy Is

What Is Driving Our Growth

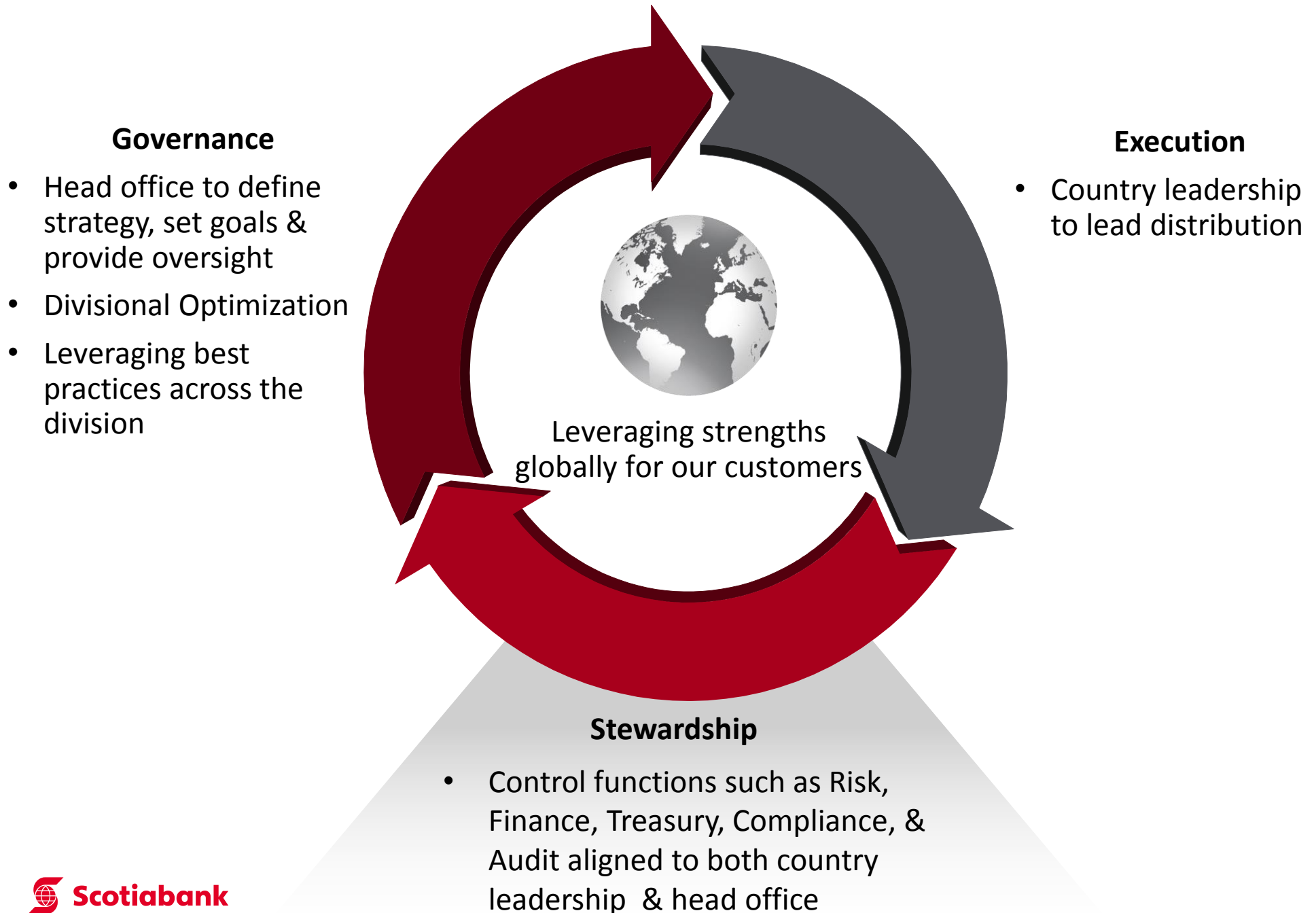
Clear Strategy to Build Greater Relevance & Presence in the Pacific Alliance



Varying Strategic Choices by Market



Established Business Operating Model in Place



Governance and Operating Approach Resulting in Strong Retail Risk Fundamentals



Defined Risk Appetite & Portfolio Limits



Operating & Risk Management Standards



**Governance & Portfolio Oversight with
Global Policies and Standards**



**Advanced Analytics, Predictive Modeling,
Proactive Decisioning & Monitoring**



Clear Tone from the Top & Risk Culture

Clear Differentiators

Strong Canadian brand

Ability to leverage global leadership team & culture

Proven risk management framework

Scalable model

Strategic alliances & partnerships

Agenda

Who We Are Today

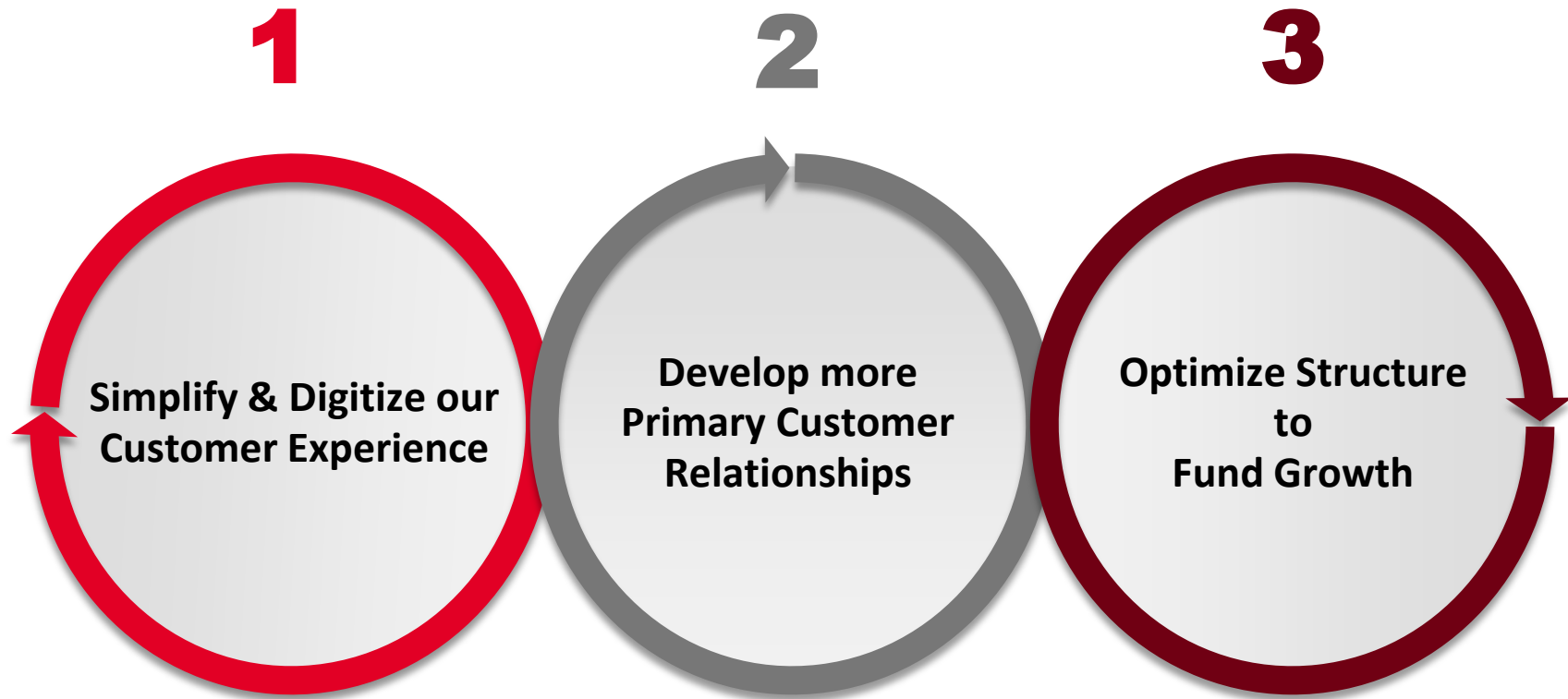
Why We Bank the Pacific Alliance

How We Have Performed

What Our Strategy Is

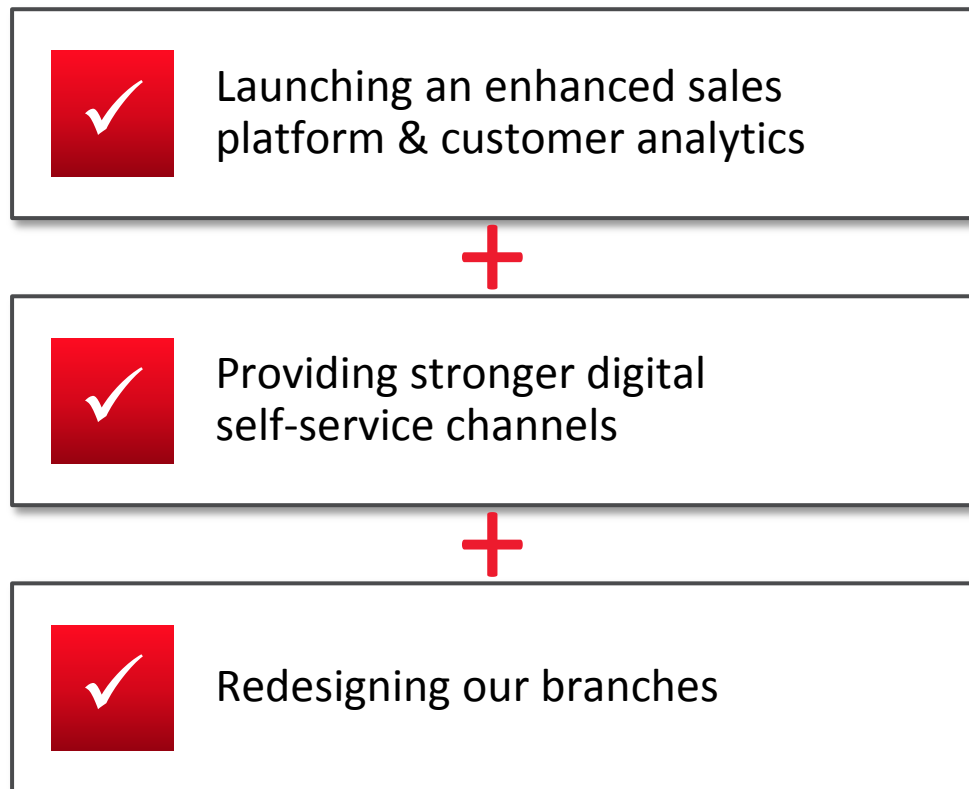
What Is Driving Our Growth

Three Key Strategic Initiatives Driving Growth for the Pacific Alliance



Strategic Initiative #1:

Simplify & Digitize Our Customer Experience



3-5 year incremental earnings¹

\$40-60 million

¹ Run rate within 3-5 years

Strategic Initiative #2: Develop More Primary Customers



Developing multi-product customer base focused on key customer segments



Accelerating payments



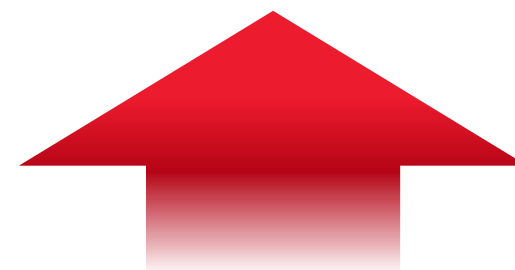
Building strong partnerships & alliances



Enabling omni-channel loyalty program



3-5 year incremental earnings¹

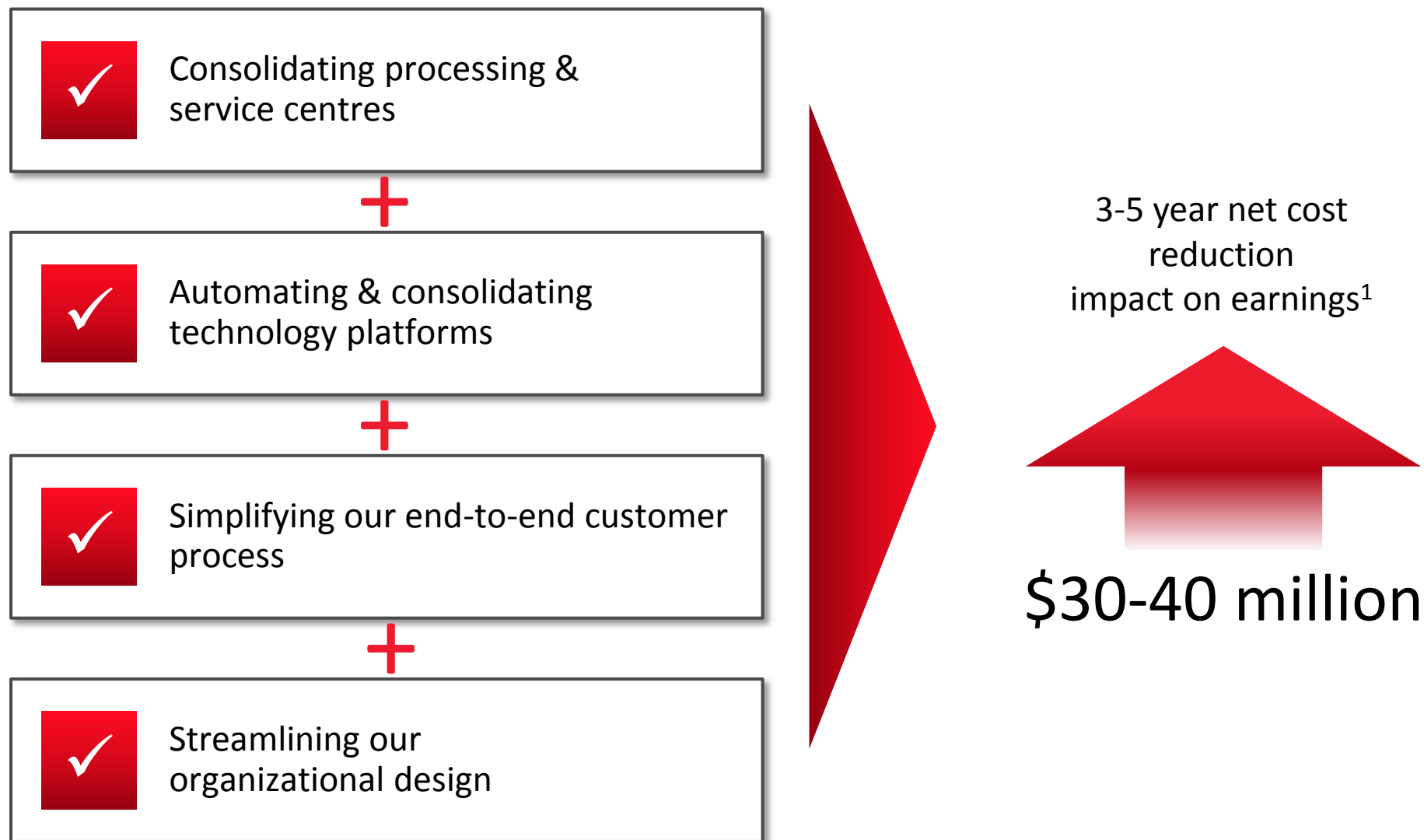


\$35-50 million

¹ Run rate within 3-5 years

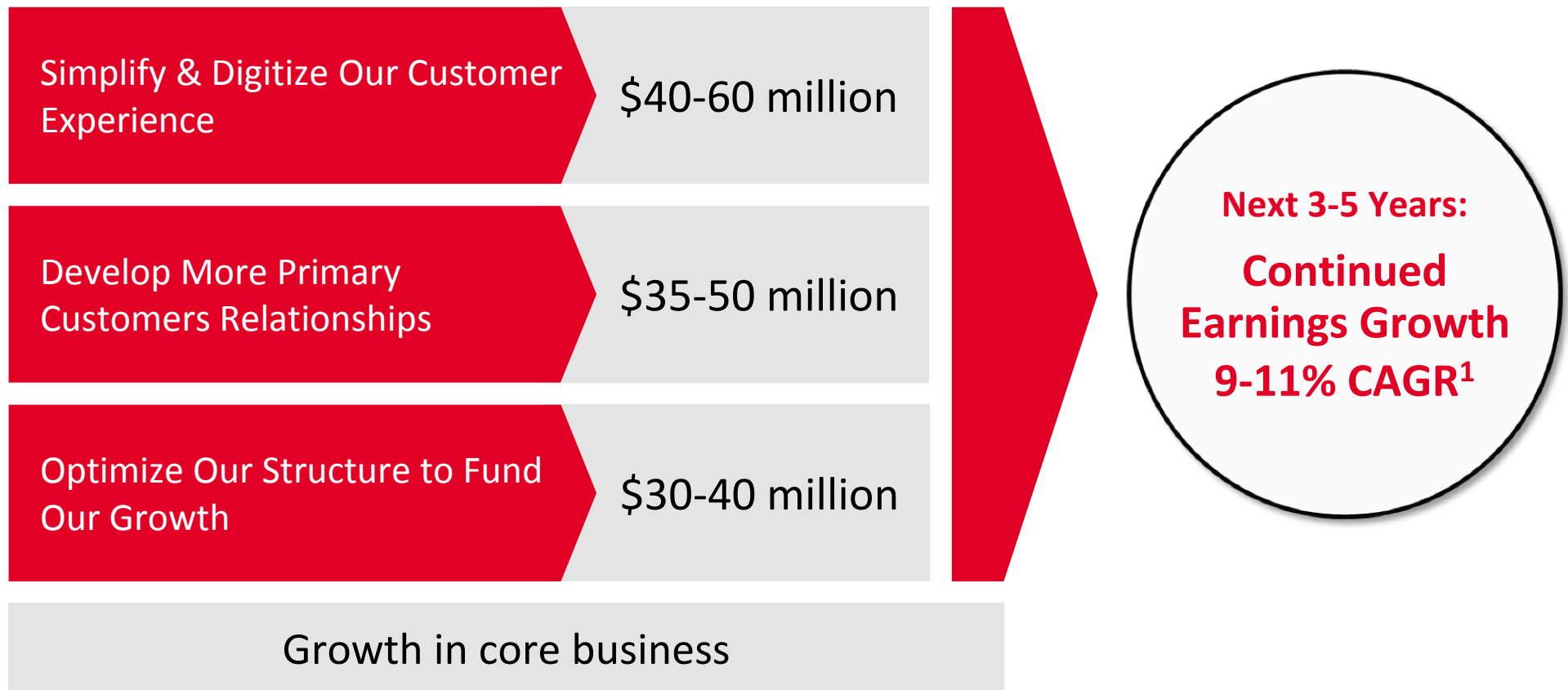
Strategic Initiative #3:

Optimize Our Structure to Fund our Growth



¹ Run rate within 3-5 years

Key Strategic Initiatives Driving Growth for the Pacific Alliance



¹ Run rate within 3-5 years

Positioned to Deliver Good Asset & Deposit Growth Over the Medium Term in the Pacific Alliance

THE POSITIONING

Investing in the right
Latin American markets

THE STRATEGY

Driving a clear
growth strategy

THE EXECUTION

Capitalizing effectively
on the opportunities

3-5 Year Targets

9-11% Earnings
CAGR growth

<52% Productivity
ratio

Positive Operating
leverage

Constant FX

International Banking Q&A

Mexico



Colombia



Chile



Peru



Mexico Overview



MEXICO

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Who We Are Today

Why We Bank Mexico

How We Have Performed

What Is Driving Our Growth

Our Business Today



Customers	2.7 million
Branches	>850
ATMs	3,300
Employees	>13,000
Net income	\$353 million
Average loans	\$17 billion
Average deposits	\$14 billion
ROEE / ROA ¹	19.5% / 1.4%
Capital ratio (local)	12.5%
Governance	Independent Board

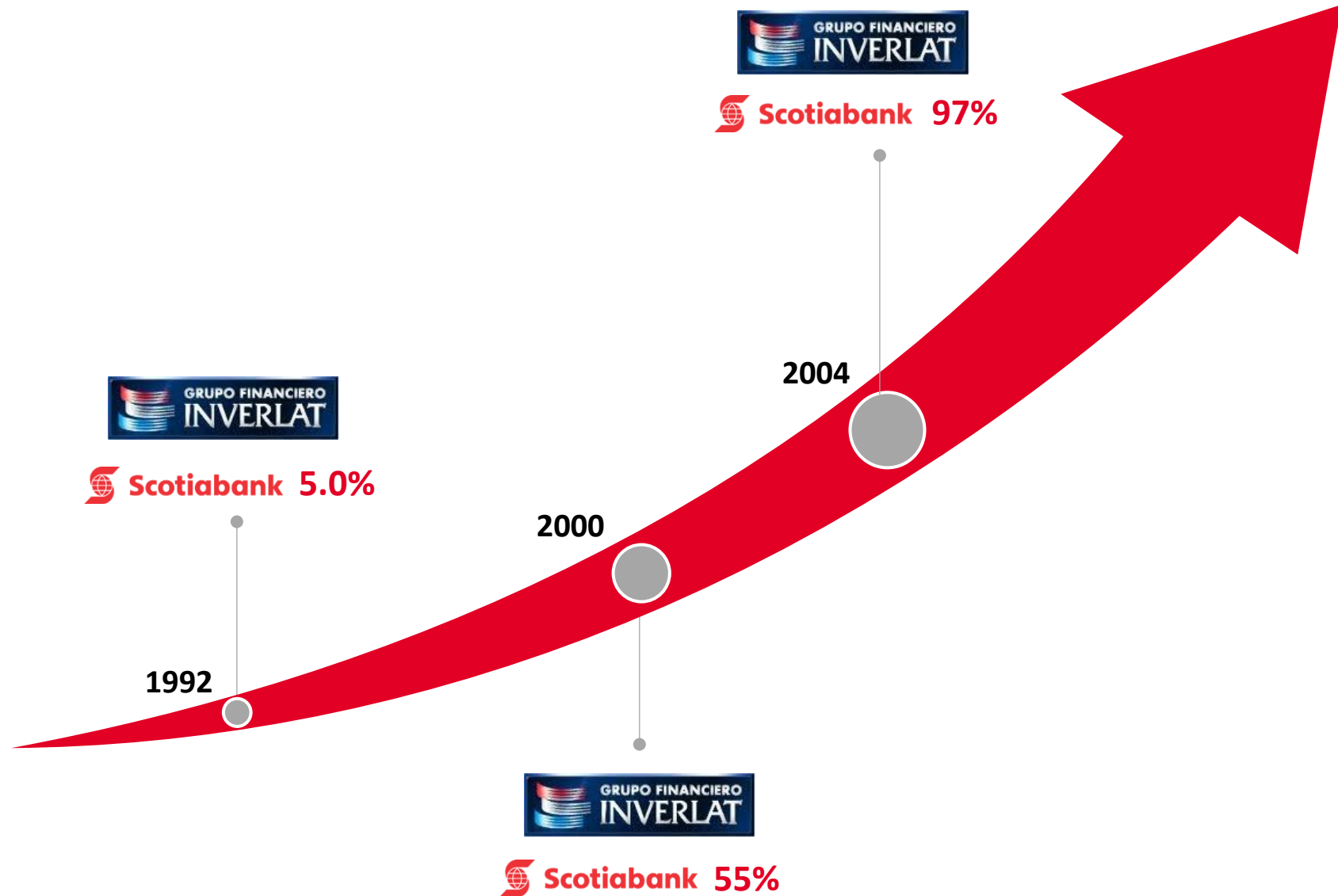


- Retail
- Corporate & Commercial

Fiscal year end 2015. Net income after minority interest

¹ On Average Earning Assets

Our History



Building Presence in our Key Customer Segments

Retail Banking

- Focusing on digitization & segmentation
- Building unsecured portfolio
- Leveraging Partnerships & Alliances

Business Banking

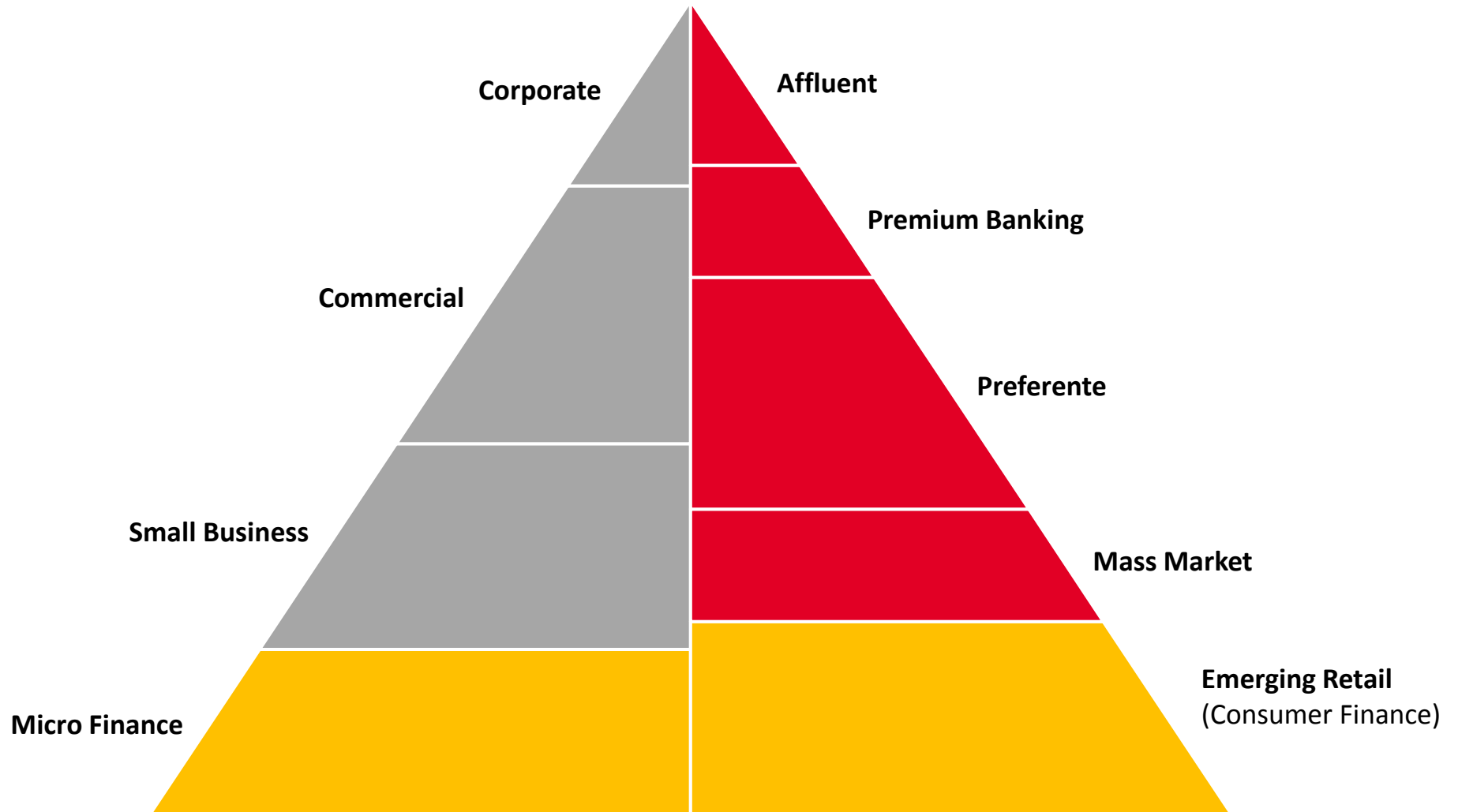
- Deploying global expertise in energy & mining
- Key player in Agribusiness
- Expanded coverage model

**Scotiabank
Mexico**

Wealth Management

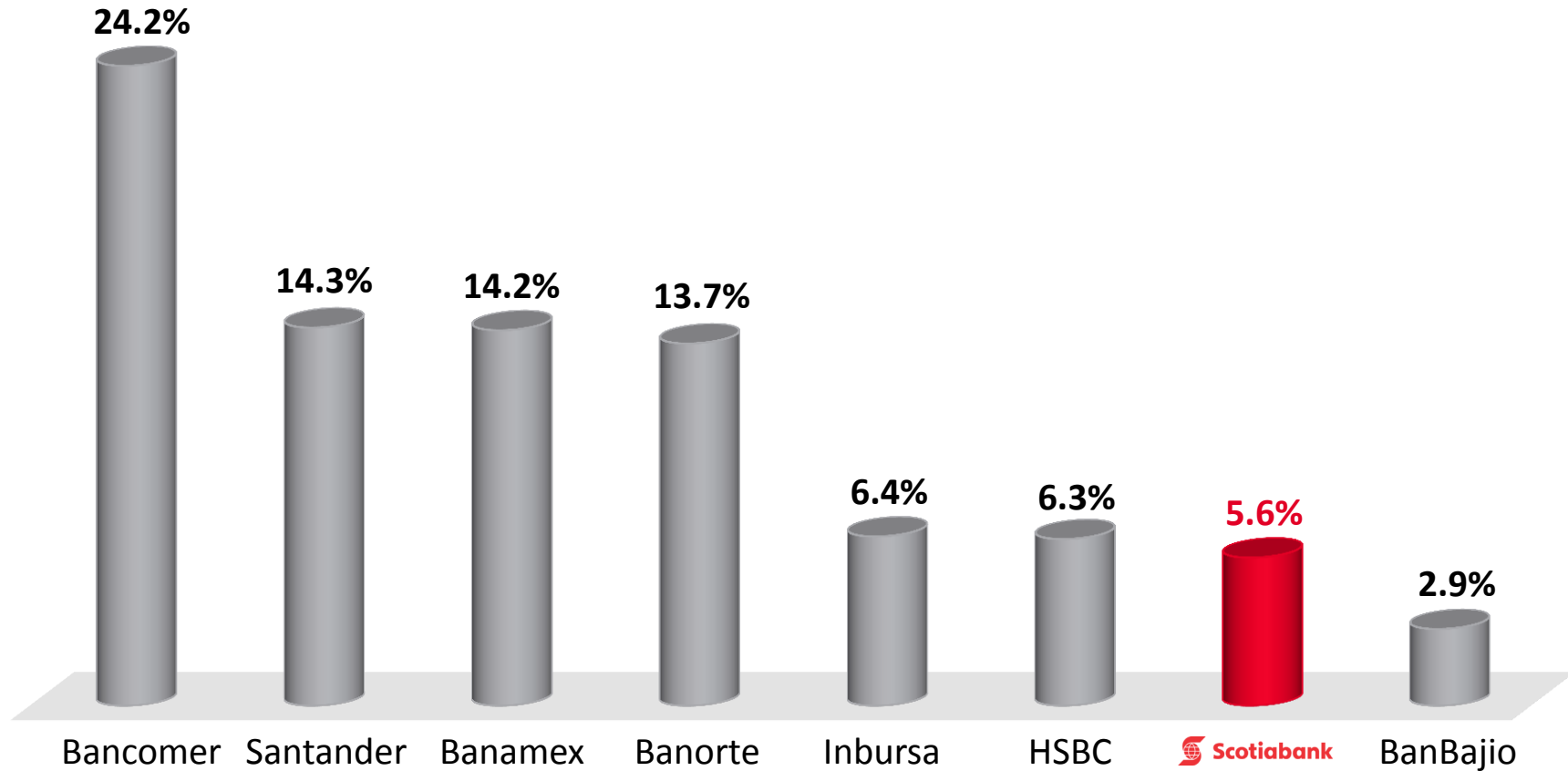
- Building a full service brokerage and asset manager with national coverage
- Expanding our global investment and advisory platform
- Leveraging our Bank footprint to accelerate cross-sales and referrals
- Deepening our long term customer relationships with advice and solutions

Solid Presence in All Customer Segments



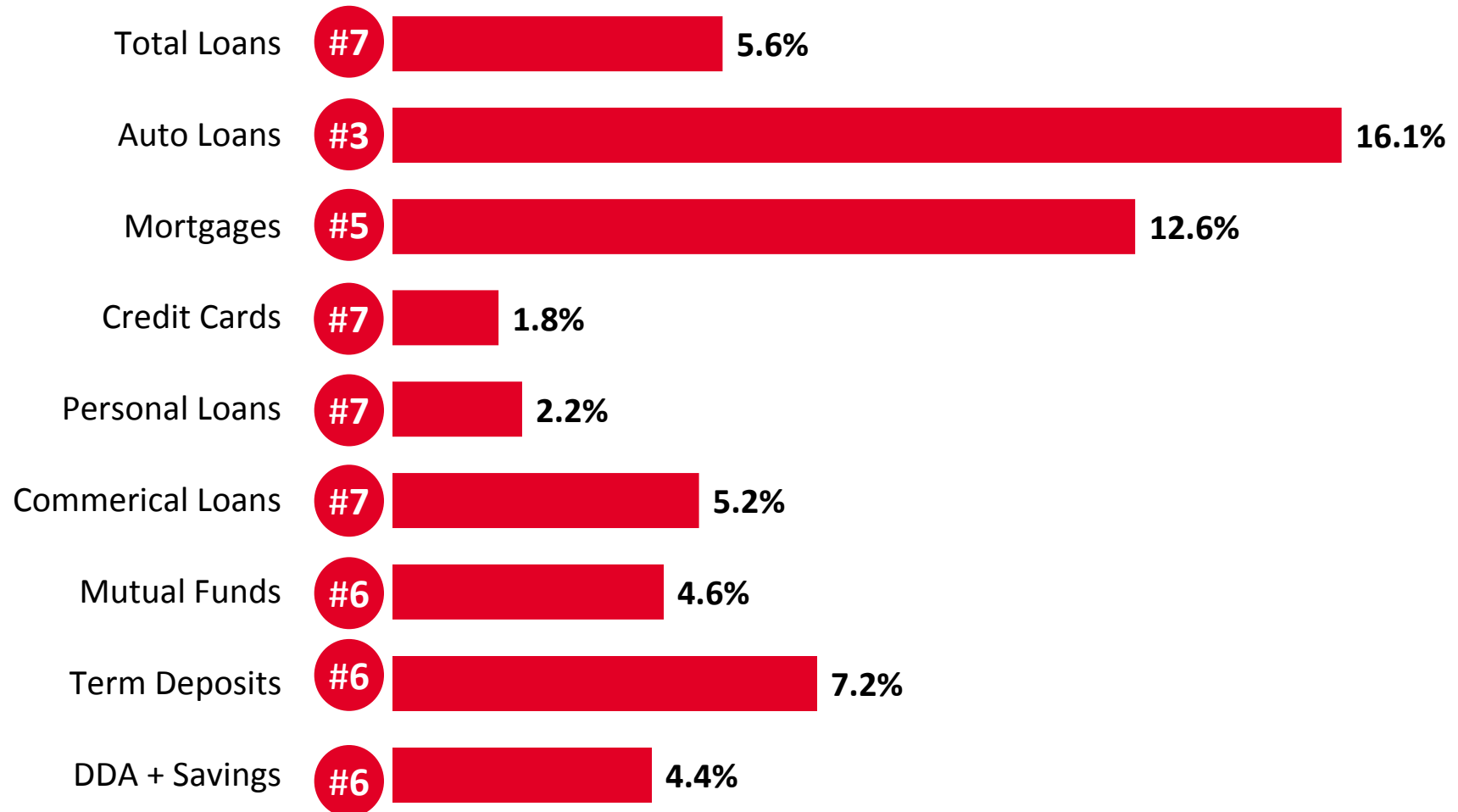
Mexico has an Opportunity to Grow Market Share

September 2015 Market Share % – Loans



Mexico has Strong Market Share in Mortgages & Auto Loans

Market Share as of September 2015



Agenda

Who We Are Today

Why We Bank Mexico

How We Have Performed

What Is Driving Our Growth

Why We Believe Mexico is the Right Market

Solid macro fundamentals

- GDP 2016 forecast 2.8%

Favourable demographics

- Population of 122 million with a median age of 27

Low banking penetration

- 39% of the population over the age of 15 has an account with a financial institution

Sound & stable banking environment

- Well capitalized banking system & proven regulatory environment

Investment grade rating

- Moody's A3; S&P BBB+; Fitch BBB+

Agenda

Who We Are Today

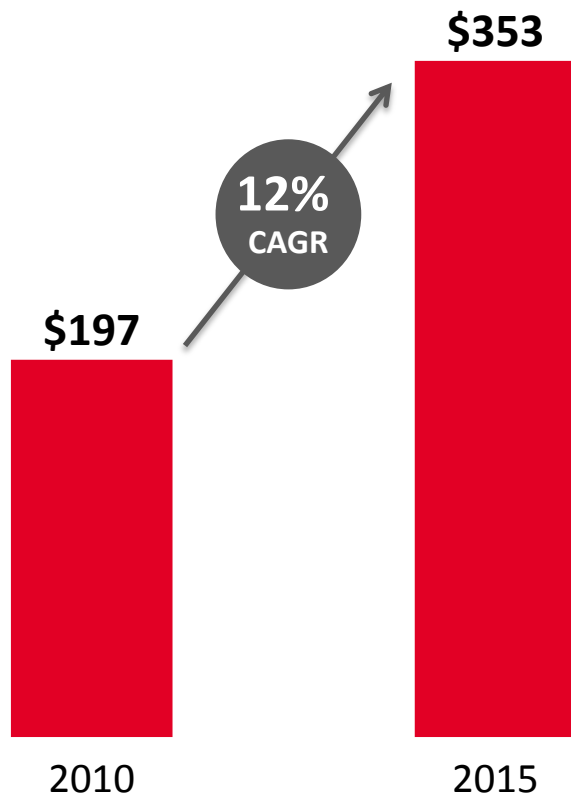
Why We Bank Mexico

How We Have Performed

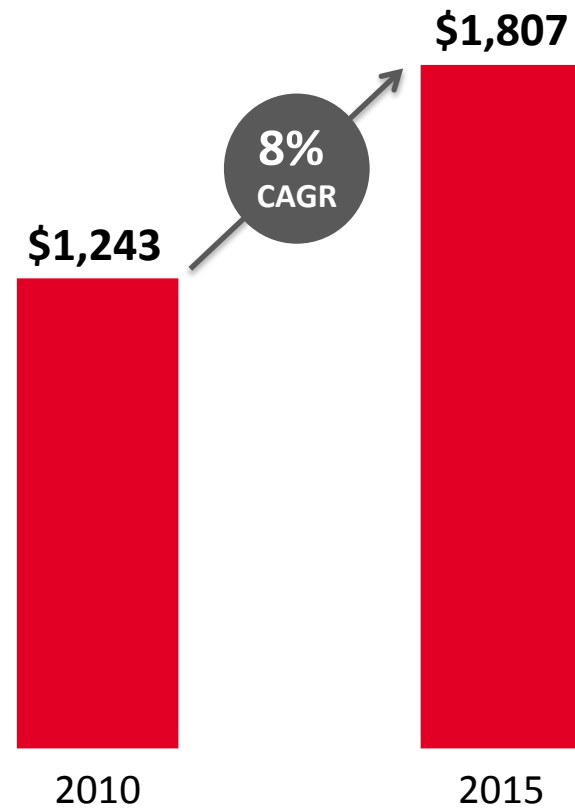
What Is Driving Our Growth

Mexico's Growth Story...

Strong Net Income Growth (in millions of Canadian dollars at constant FX)



Strong Revenue Growth (in millions of Canadian dollars at constant FX)

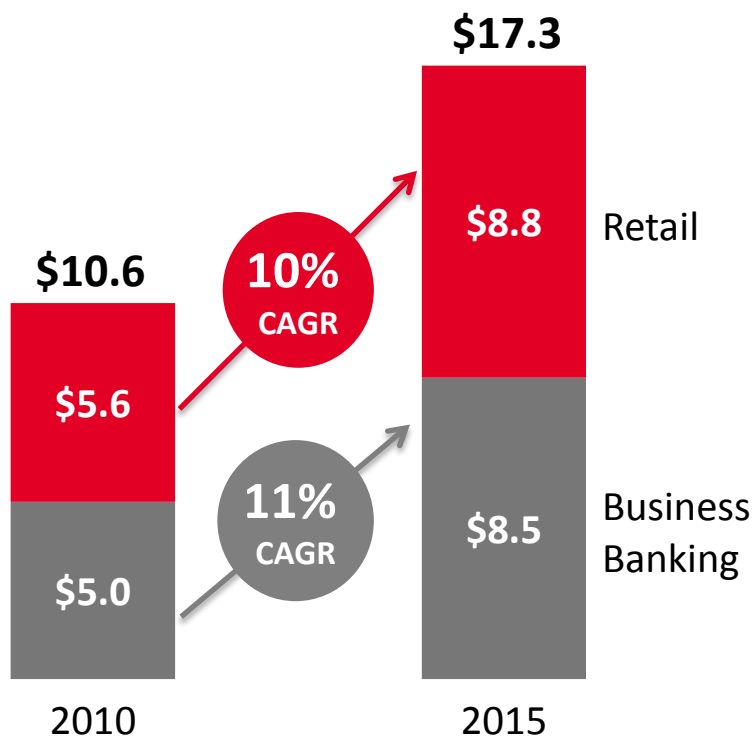


Fiscal year end
Net income after minority interest

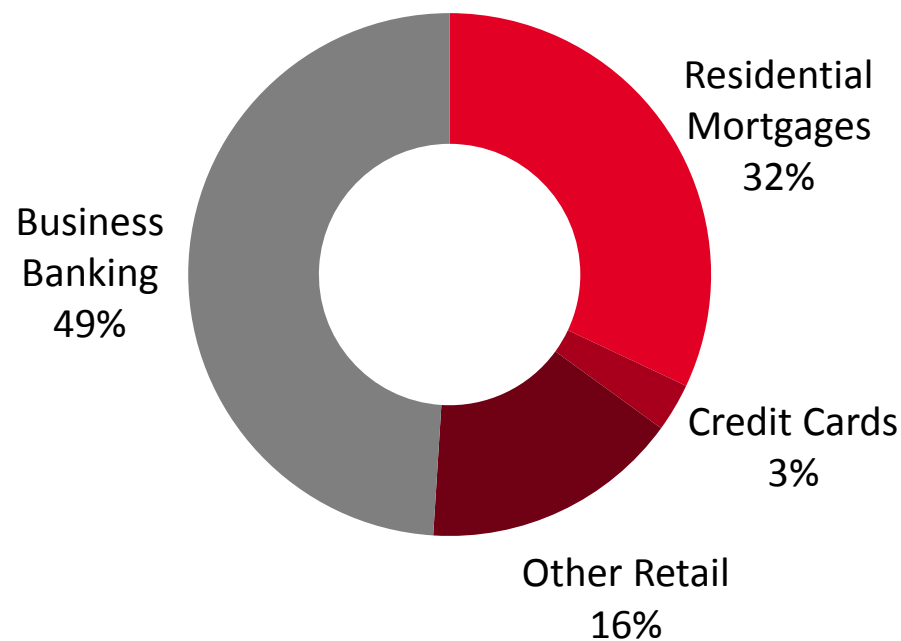
Strong Balanced Loan Growth & Well Diversified Portfolio

Average Loans
(in billions of Canadian dollars at constant FX)

CAGR: 10%



Portfolio Breakdown
(2015 average loans)

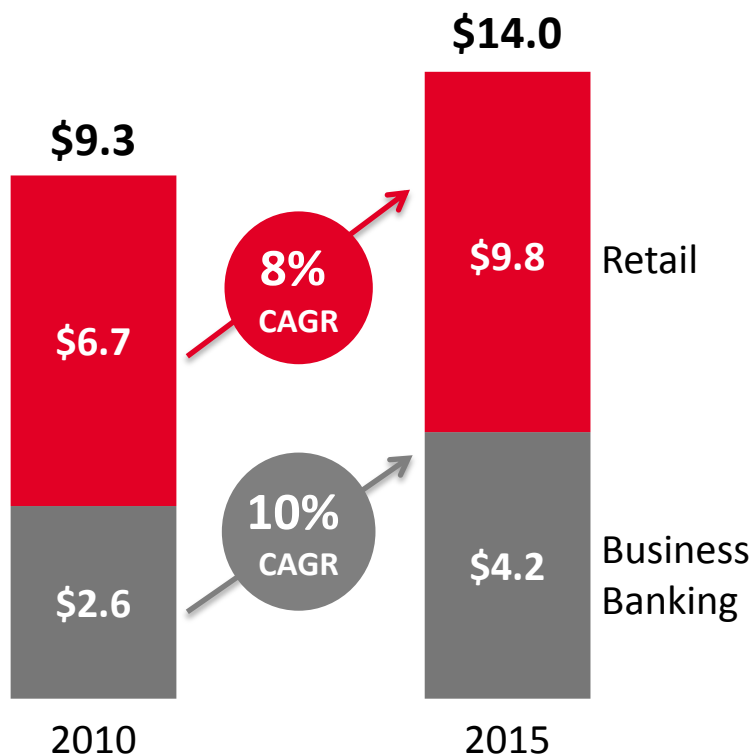


Fiscal year end

Strong Deposit Growth

Average Deposits (in billions of Canadian dollars at constant FX)

CAGR: 9%



Portfolio Breakdown (2015 average deposits)



Fiscal year end

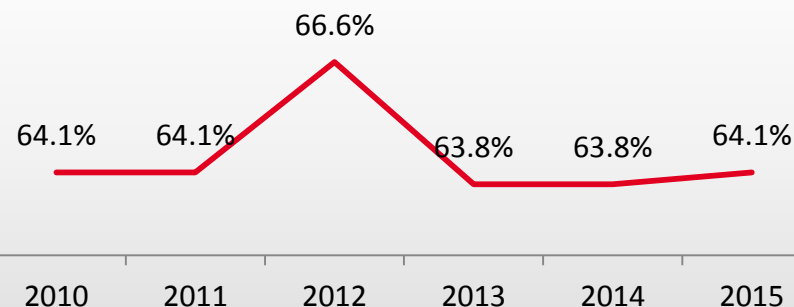
2010 and 2015 Retail deposits include Small Business Deposits of \$1.4 billion and \$2.5 billion respectively

Attractive Risk Adjusted Margins and Focused on Improving Productivity

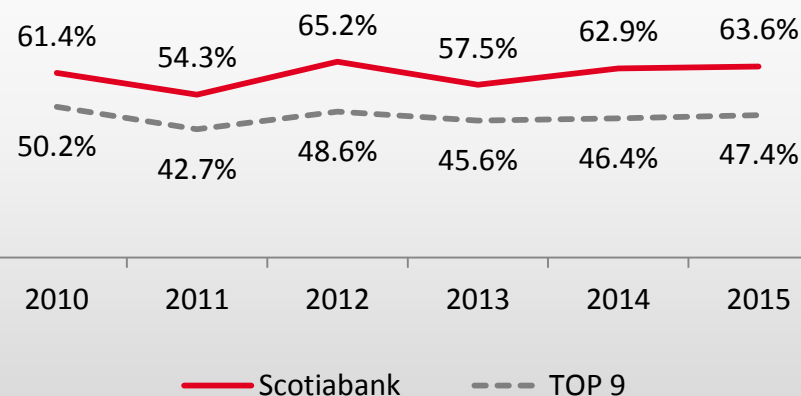
Risk Adjusted Margin¹



Productivity (Canadian GAAP at constant FX)²



Productivity vs System (Local GAAP)¹



(1)Local GAAP Financials and Canadian fiscal year. Trend adjusted for restructuring charges

(2)Canadian GAAP . Trend adjusted for restructuring charges.

(3)2015 Risk Adjusted Margin on Average Earning Assets includes a 2.1% PCL Ratio on Average Gross Loans.

Insurance and Pension not consolidated prior to 2011

Agenda

Who We Are Today

Why We Bank Mexico

How We Have Performed

What Is Driving Our Growth

Universal Bank Focused On Driving Growth

1 Renewed focus on customer experience

New leadership & organizational structure

2

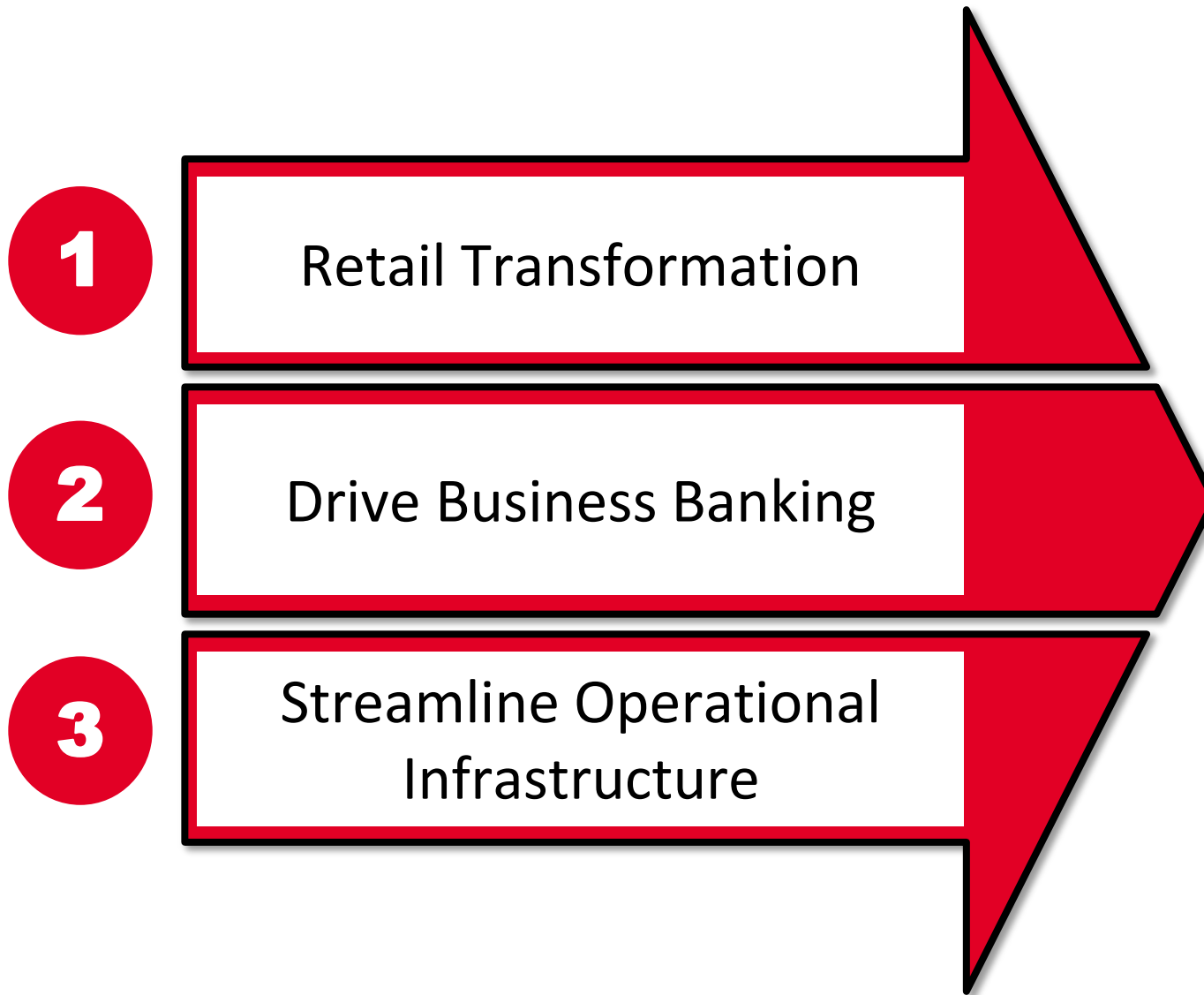
3 Right-sizing branch network

Revamping technology platforms

4

5 Expanding on key growth segments

Three Strategies Driving Growth



Mexico Retail Banking



MEXICO

Agenda

Who We are Today

How We Have Performed

What the Business Landscape Looks Like

What Will Drive Our Growth

Retail & Small Business Today

#3 in auto loans	\$1.0 billion
#5 in mortgages	\$5.9 billion
Customers	2.5 million
Average loans	\$8.8 billion
Average deposits	\$9.8 billion
Revenue	\$1 billion
Branches	>850
ATMs	>3,300

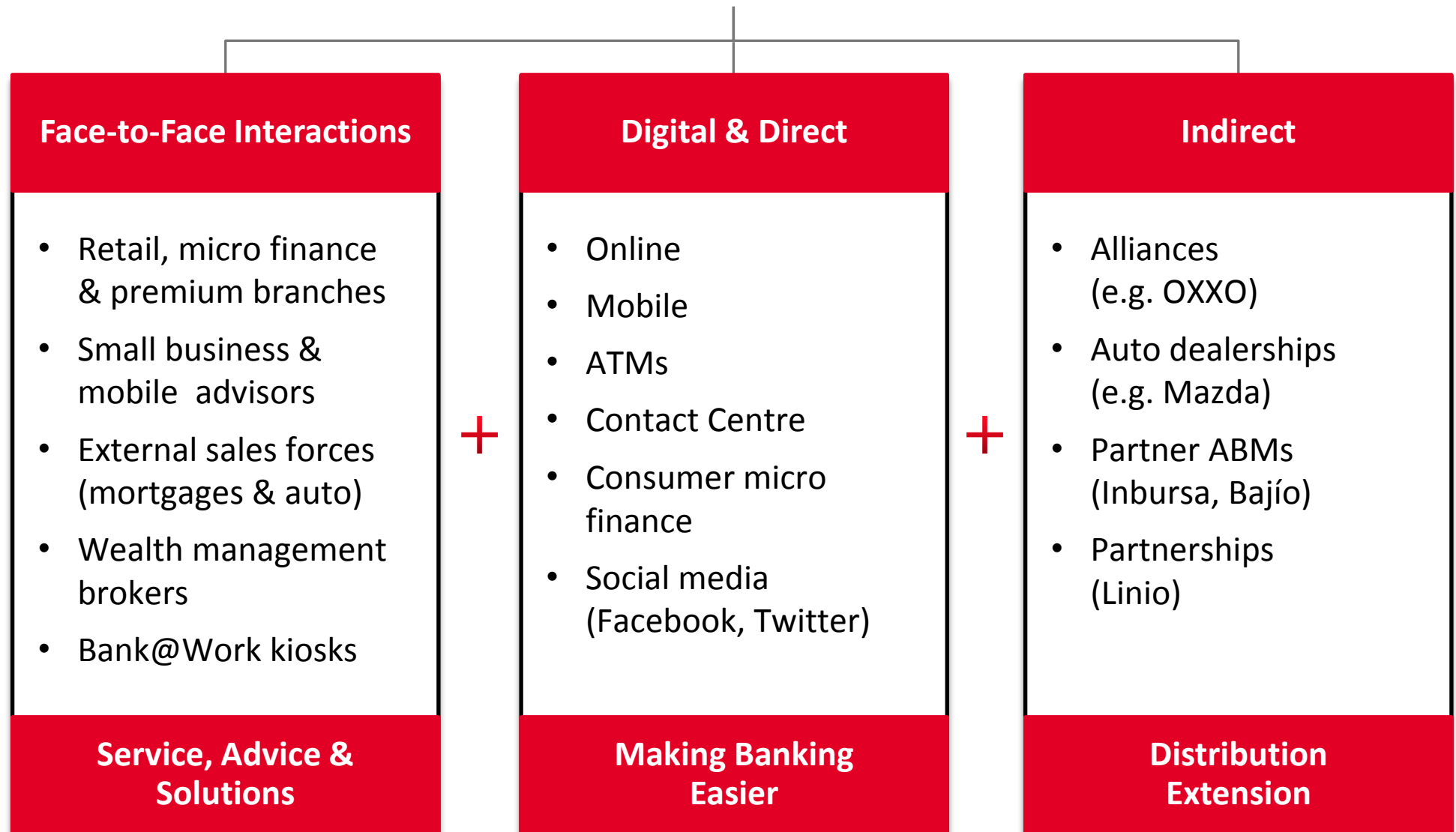
Fiscal year end 2015

¹ Includes Retail and CMF branches and Wealth offices

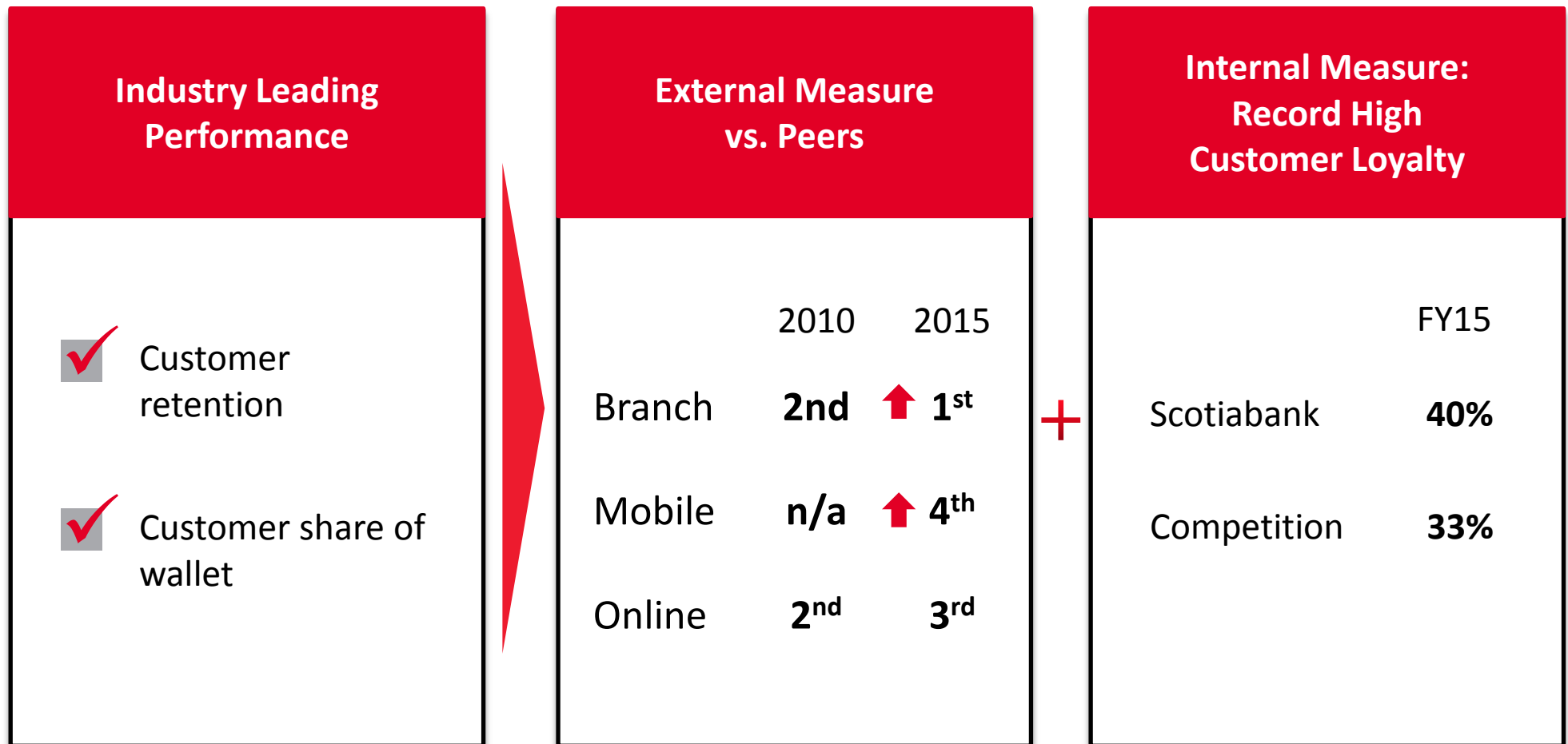
Deposits include Small Business deposits of \$2.5 billion

Broad Distribution Channels

Our Channels



Delivering Increased Customer Loyalty – A Key to our Success



Agenda

Who We are Today

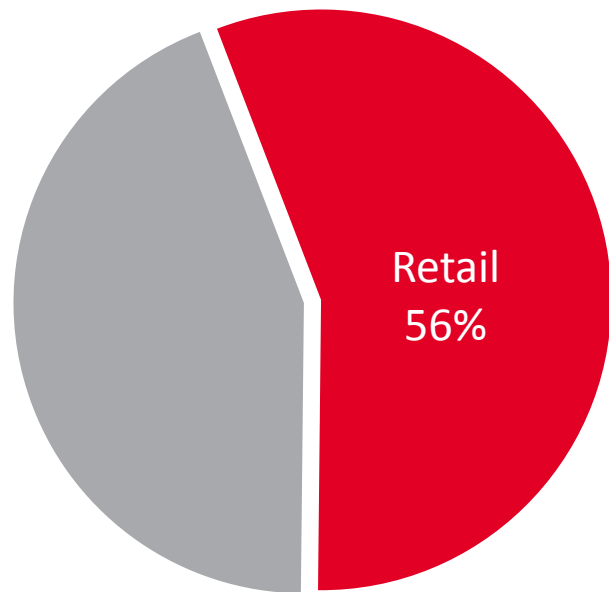
How We Have Performed

What the Business Landscape Looks Like

What Will Drive Our Growth

Retail is a Key Driver for Mexico's Growth

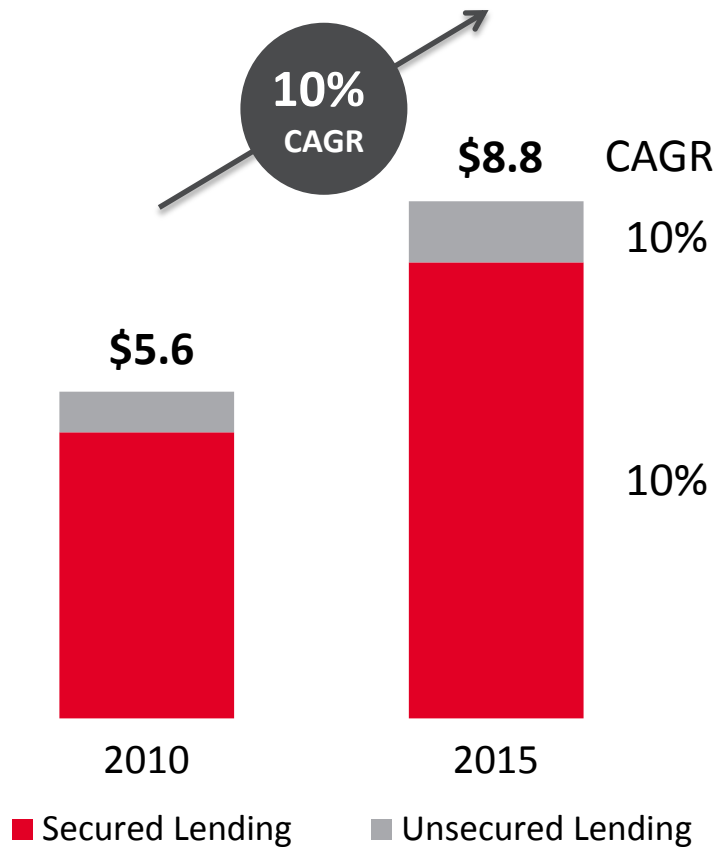
Revenue
(in millions of Canadian dollars at constant FX)



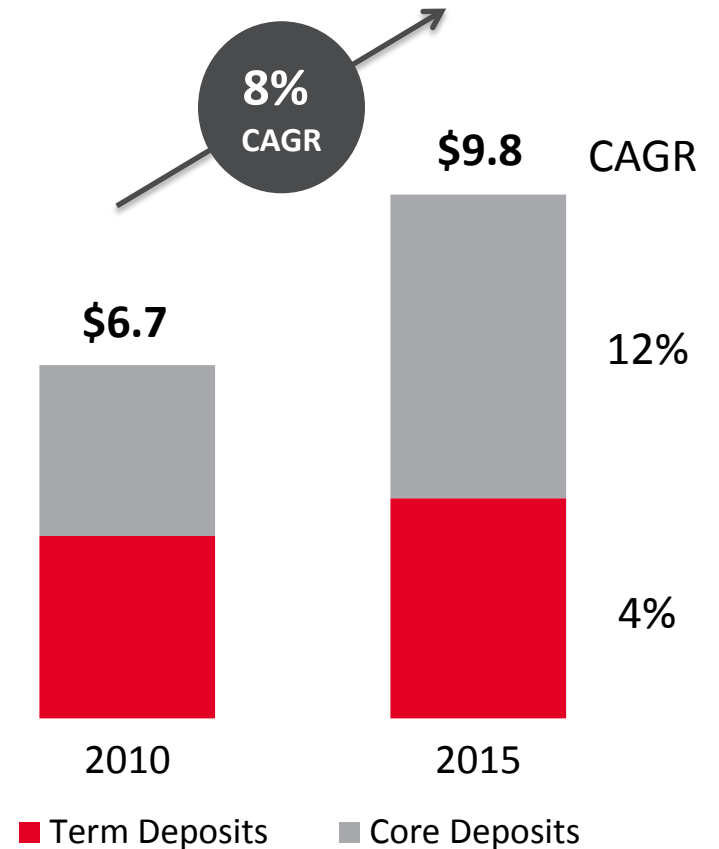
Fiscal year end

Maintaining Momentum

Average Loans
(in billions of Canadian dollars at constant FX)



Average Deposits
(in billions of Canadian dollars at constant FX)



Fiscal year end

2010 and 2015 Retail deposits include Small Business deposits of \$1.4 billion and \$2.5 billion respectively

Agenda

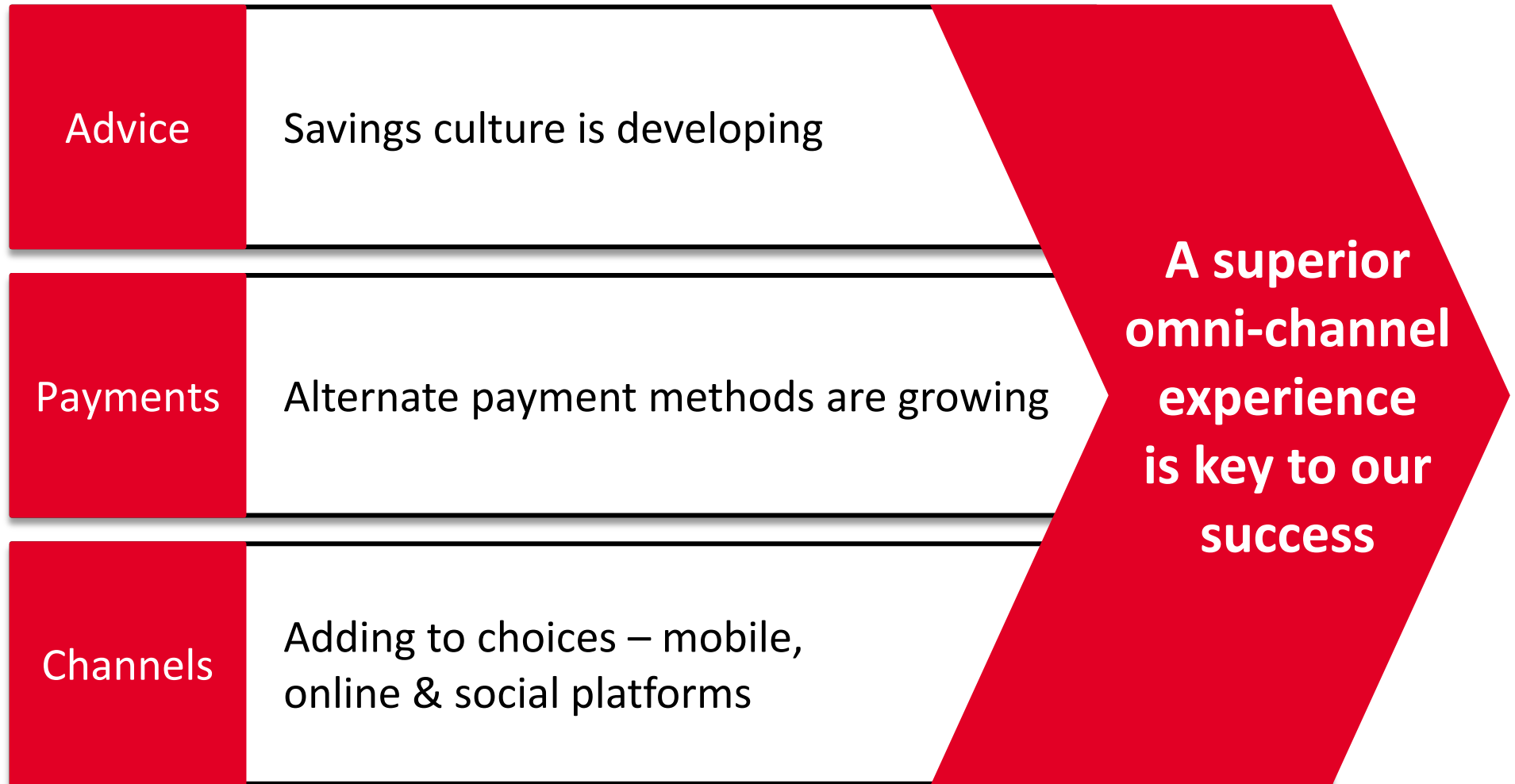
Who We Are Today

How We Have Performed

What the Business Landscape Looks Like

What Will Drive Our Growth

Market Trends Impacting Our Business



Our Competitive Advantages



Strong Market Share in Secured Lending



Full-service Contact Centre



Profitable Customer Growth



Optimized Distribution Channels & Footprint



Strategic Alliances & Partnerships

Agenda

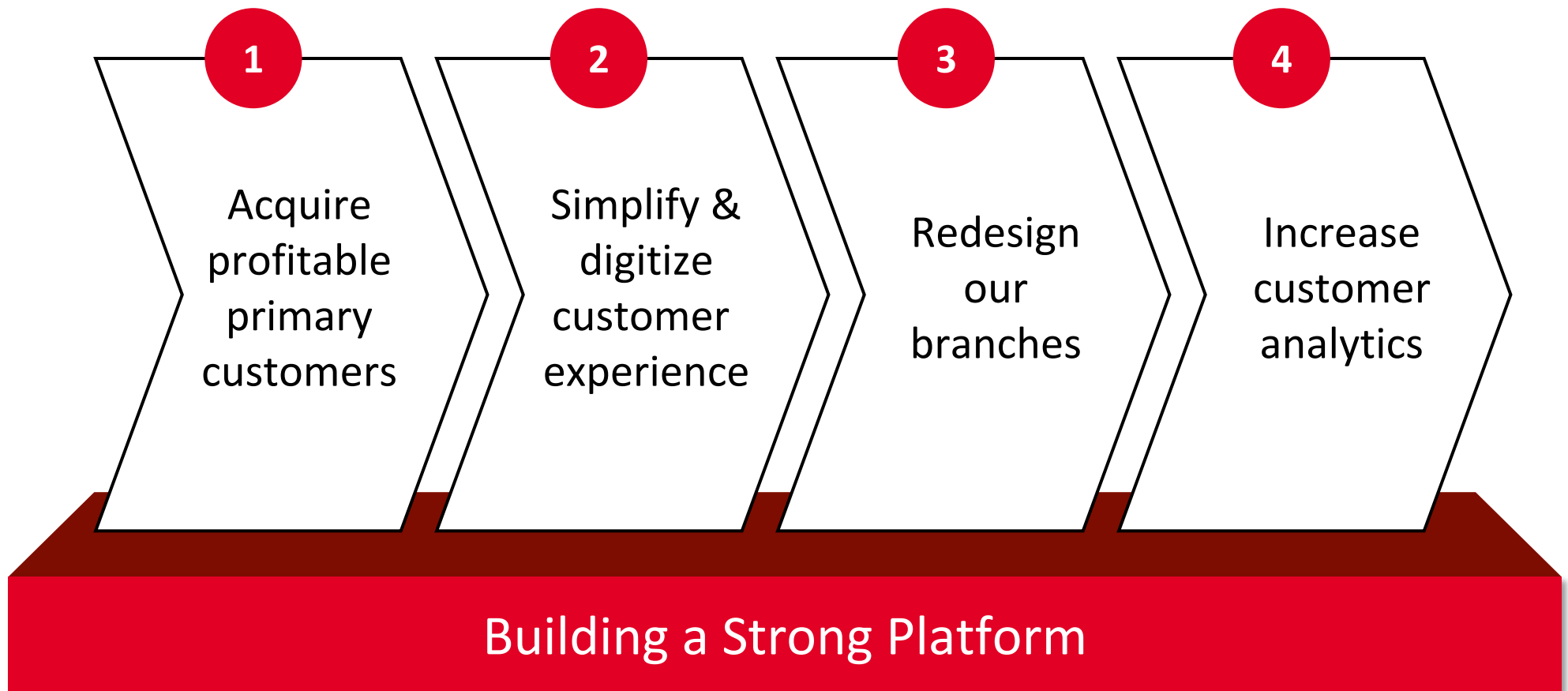
Who We Are Today

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What Will Drive Our Growth

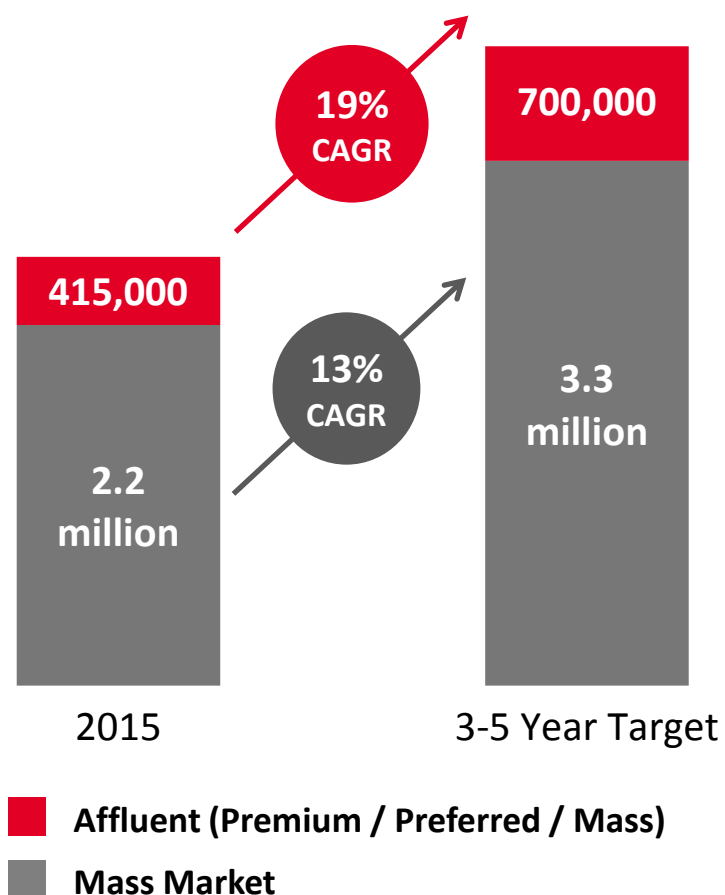
Strategies to Transform Mexico's Retail Business



Strategic Initiative #1:

Acquire Profitable Primary Customers

Number of Customers



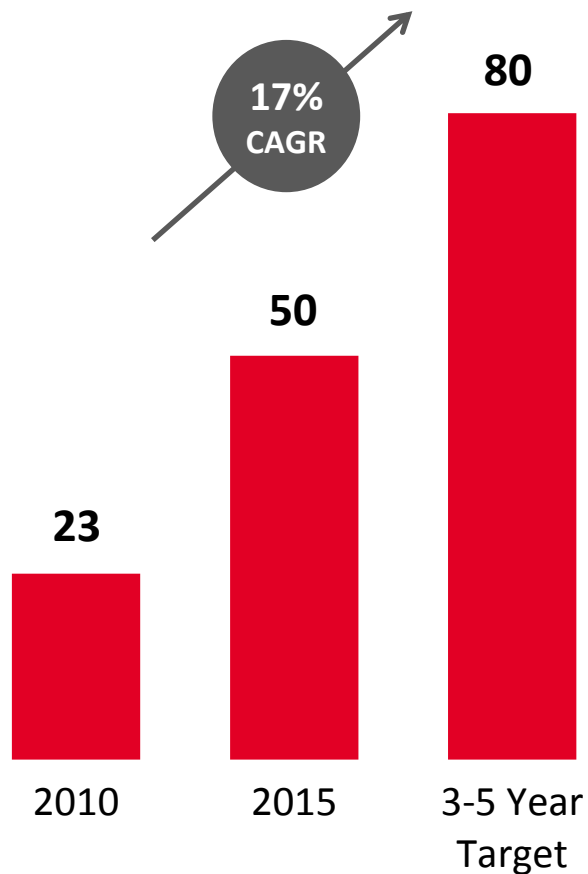
- Prioritizing growing affluent & small business segments
- Leveraging Business Banking relationships to acquire payroll business
- Strengthening payments
- Enhancing loyalty reward platform
- Building presence & relevance through alliances

**Grow customer base to
4 million over the next 3-5 years**

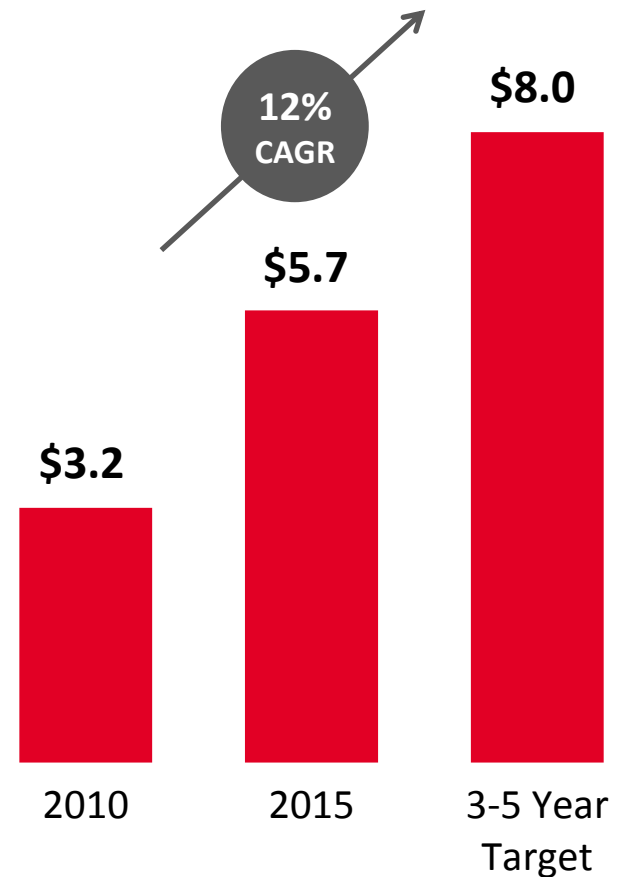
Strategic Initiative #1:

Ensure Continued Growth of Chequing Accounts

Debit Transactions
(Point of Sale)



Chequing Balances
(in billions of Canadian dollars at constant FX)



Strategic Initiative #1:

Leverage Retail Alliances to Drive Growth



Largest online retailer
in Latin America



Co-branded credit card with
online card applications



Leverage retailer customer
data for analytics

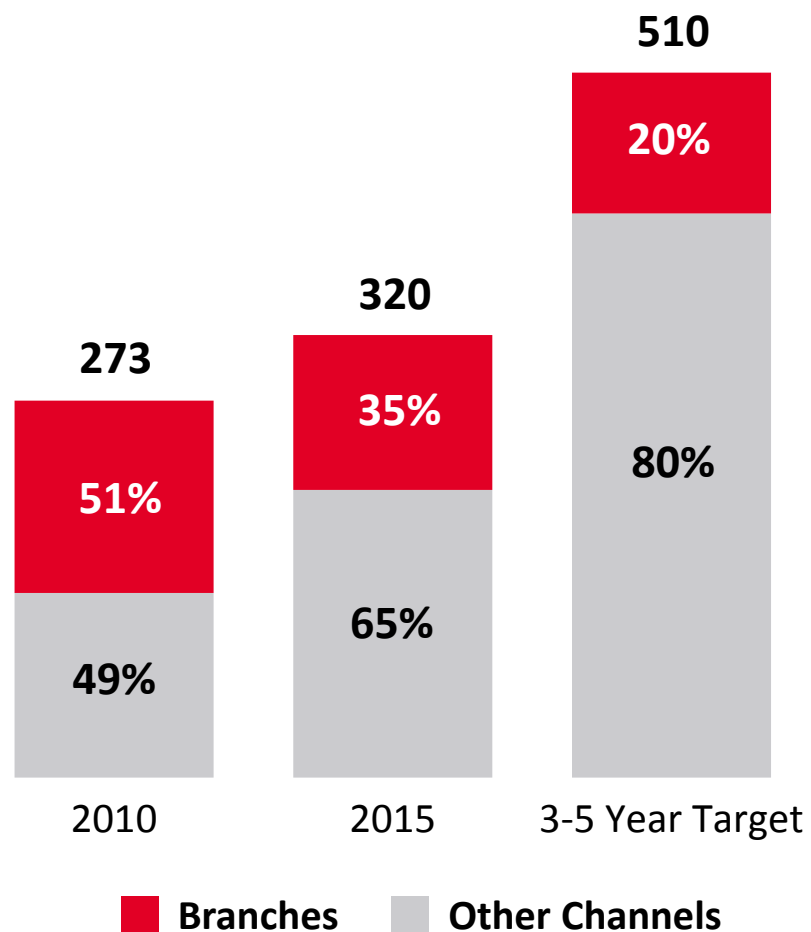


Goal: Deliver a 100% digital
experience

Strategic Initiative #2:

Simplify & Digitize Customer Experience

Transaction Volume & Mix



- Enhancing mobile channel
- Enhancing online banking platform
- Enhancing ATM capability with alliances
- Ensuring optionality in emerging payments
- Migrating low value transactions from branches to online and mobile

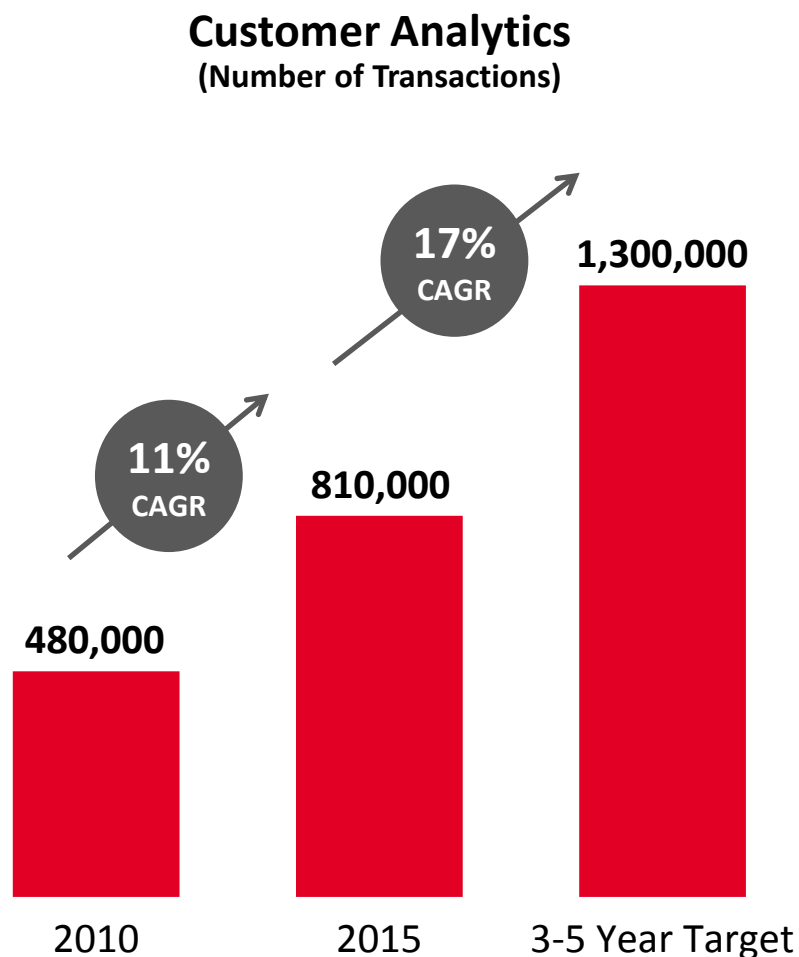
Strategic Initiative #3: Redesign our Branches

- Engaging IDEO consulting
- Re-considering customer experience in branches
- Right-sizing our footprint
- Driving greater sales per square foot



Strategic Initiative #4:

Increase Customer Analytics



Aggressive data mining capability
to generate leads for cross sale

- Leveraging speech analytics
- Advancing risk analytics
- Building business intelligence analytics
- Developing strong analytics to deliver tailored customer offers

Positioned to Deliver Strong Growth

Proven Track Record

Strong performance and superior growth supported by strong risk fundamentals

Strong Competitive Position

Leveraging unique strengths including secured lending, low cost deposits and solid retail alliances

Accelerating Growth

Focused on accelerating growth in key areas: Credit Cards, Small Business Loans and Deposits

Leveraging Alliances

Key strategic alliances creating opportunities to develop profitable primary customer relationships

Mexico Business Banking



MEXICO

Agenda

Who We are Today

How We Have Performed

What the Business Landscape Looks Like

What Is Driving Our Growth

Our Business Today

International Banking Business Banking		Mexico Business Banking (Constant FX)
\$49 billion	Assets	\$8.5 billion
\$48 billion	Deposits	\$4.2 billion
390	Relationship Managers	140
>12,000	Lending Customers	>2,000

Fiscal year end 2015

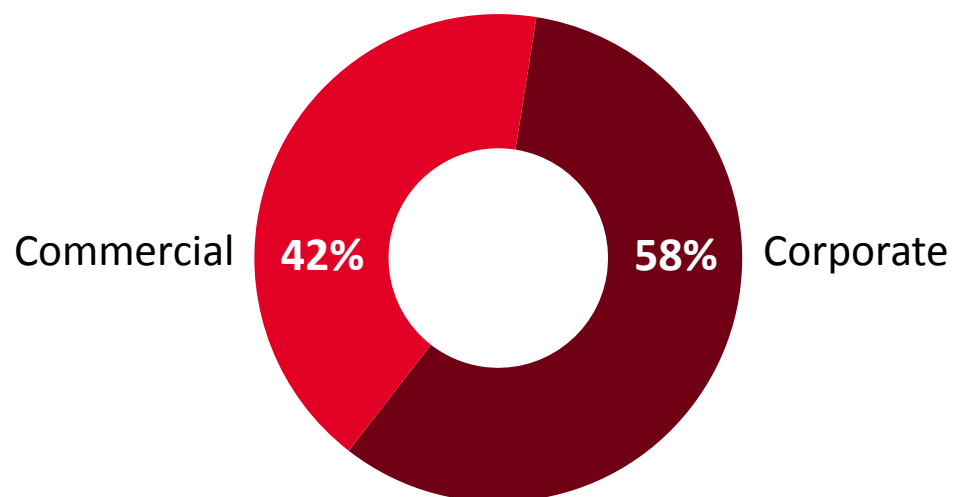
Mexico Business deposits do not include \$2.5 billion of Small Business deposits

Segmented Approach to Maximize Customer Experience

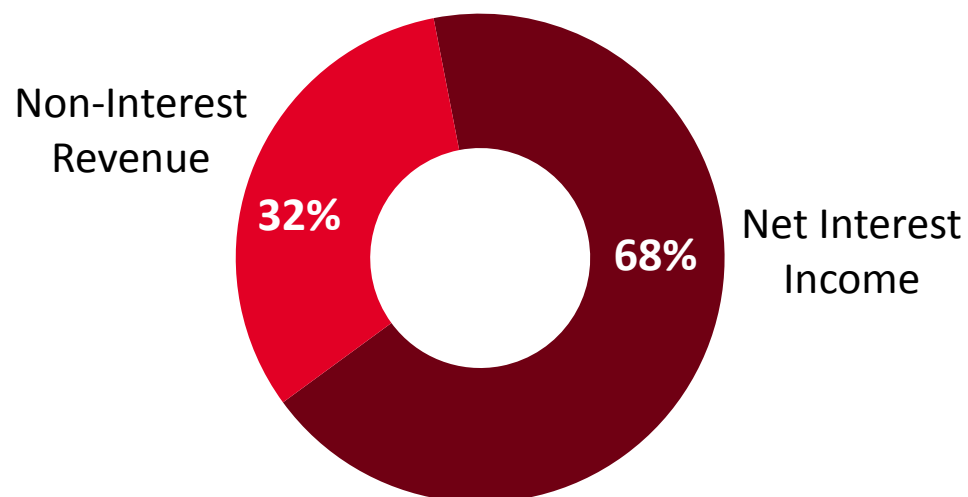
Market Segment	Commercial Banking	Corporate Banking	Capital Markets
Customer Revenue	< US \$100MM	> US \$100MM	All Sizes
Focus	Broad, innovative financing solutions	Tailored comprehensive solutions	Custom solutions (FX, DCM / ECM, Derivatives and Investment Banking)

Well-Balanced & Diversified Segments

Revenue Mix
by Segment



Net Interest Income &
Non-Interest Revenue



Fiscal year end 2015

Agenda

Who We are Today

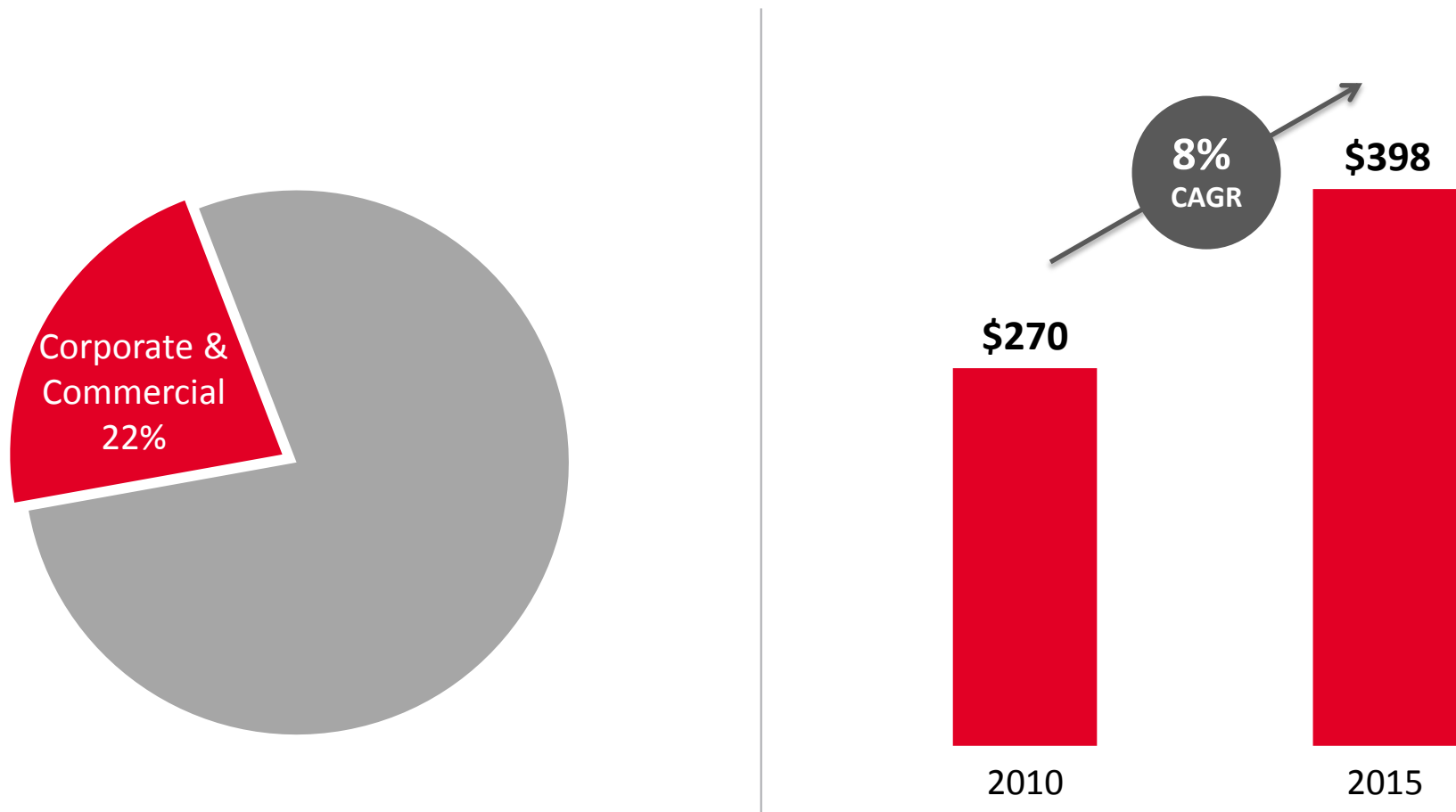
How We Have Performed

What the Business Landscape Looks Like

What Is Driving Our Growth

Solid Earnings Growth Supported by Strength in Risk Management

Revenue
(in millions of Canadian dollars at constant FX)

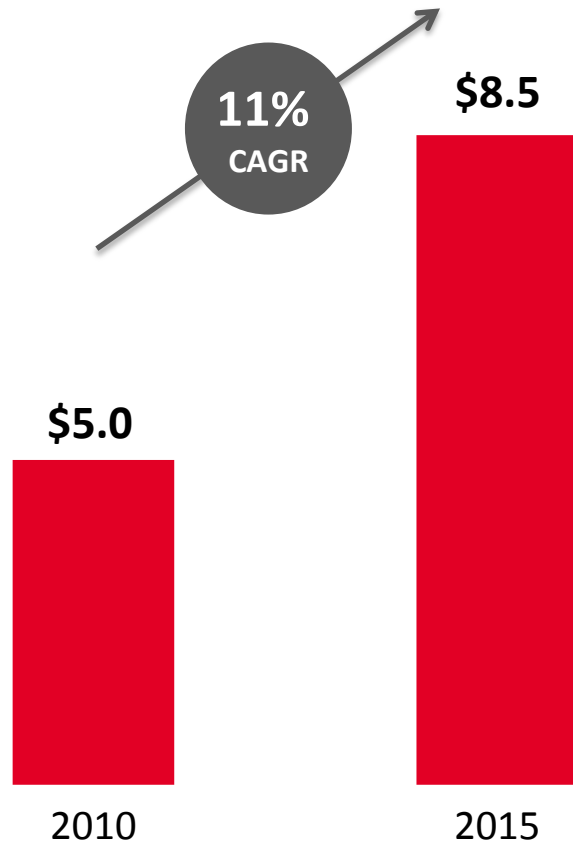


Fiscal year end

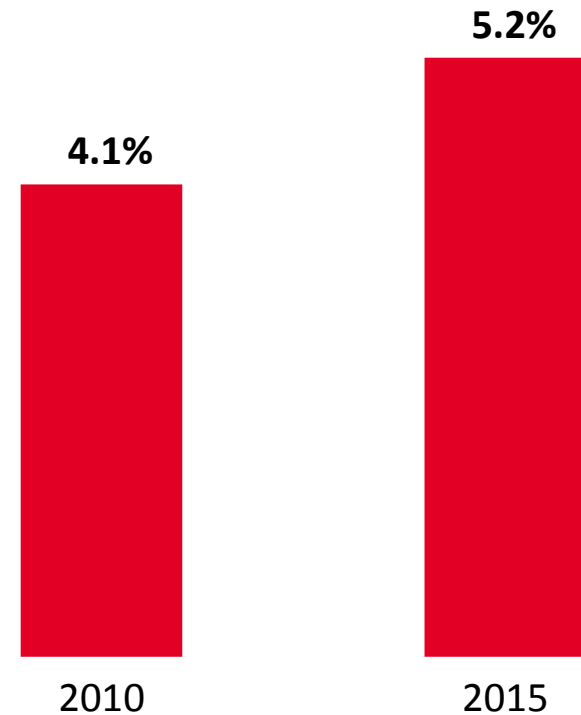
PCLs 0.20% of Commercial loan portfolio

Gaining Market Share in Commercial & Corporate Banking in Mexico

Corporate & Commercial – Loans
(in billions of Canadian dollars at constant FX)



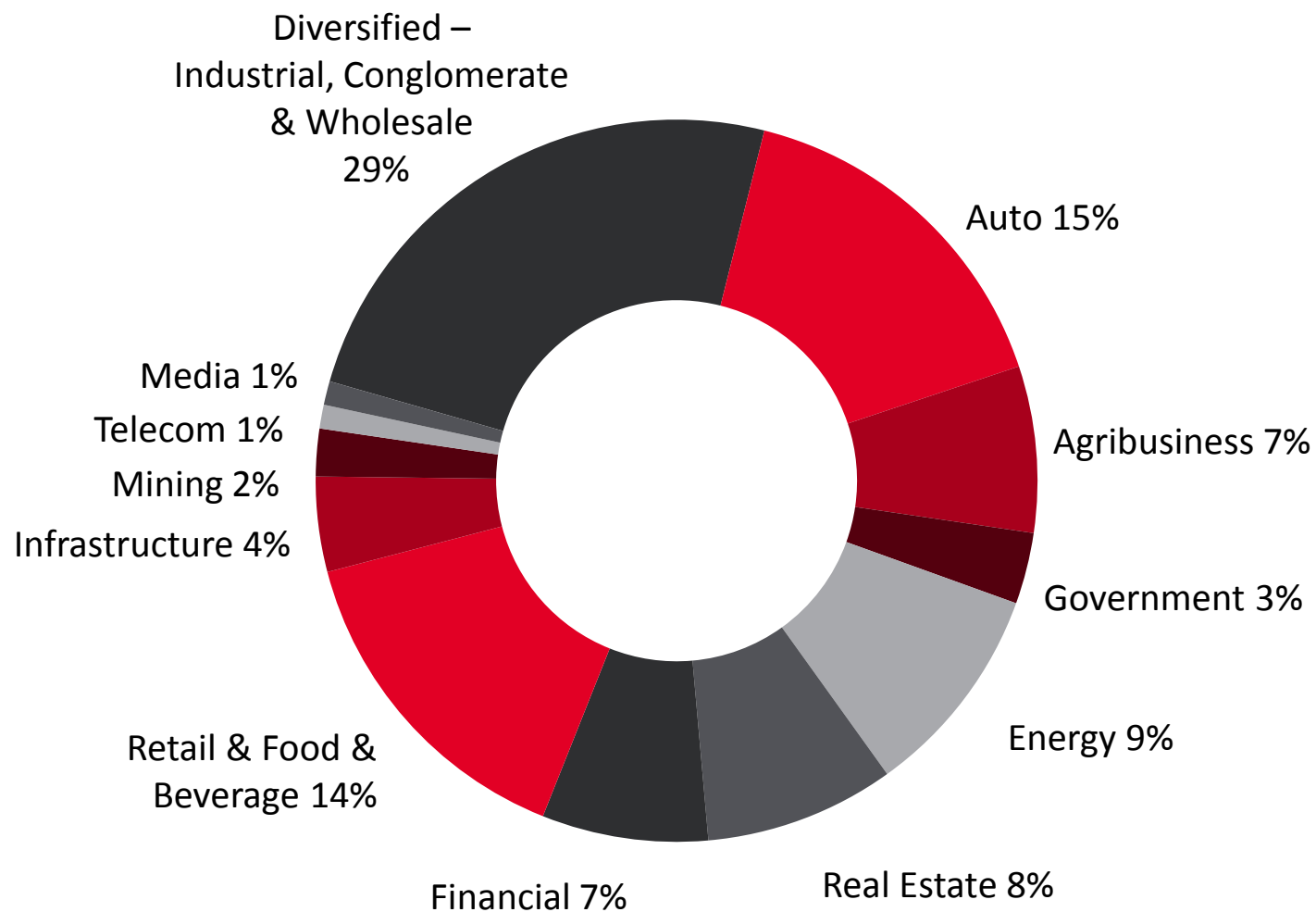
Market Share - Loans
(September 2015)



Fiscal year end

Strong Diversification of Corporate & Commercial Loans

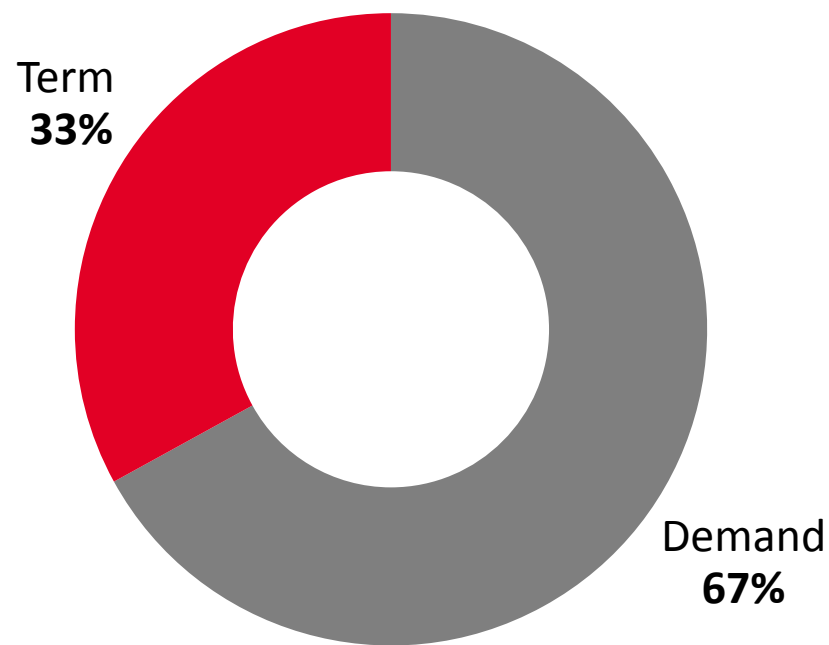
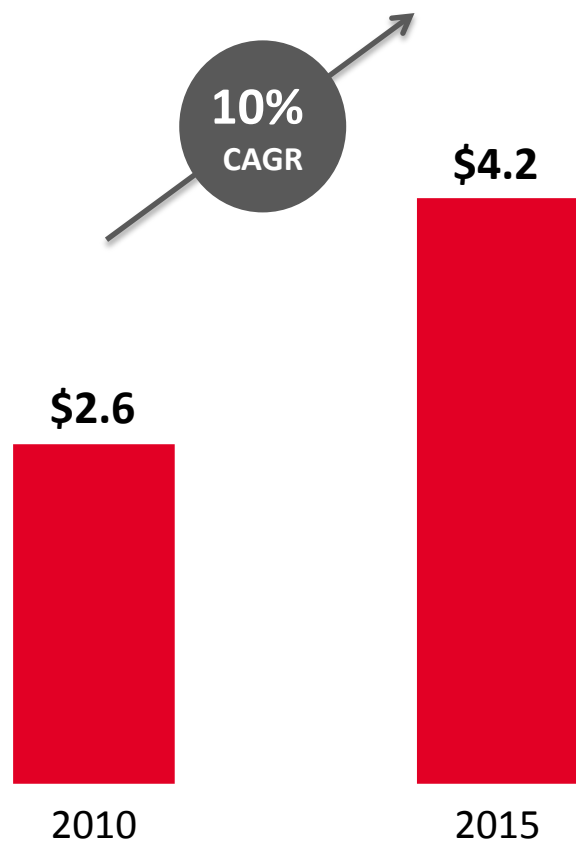
September 2015



Fiscal year end 2015

Solid Deposit Growth & Well Diversified Funding Mix

Corporate & Commercial – Deposits (in billions of Canadian dollars at constant FX)



Fiscal year end

2010 and 2015 Corporate & Commercial deposits do not include Small Business deposits of \$1.4 billion and \$2.5 billion respectively

Refocused Our Coverage Model & Product Suite



2010 – 2015 Expanded Coverage Model



New offices opened
in strategic locations

+9

Increase in GDP coverage

22%

Committed to Improving Customer Loyalty



Context

- ✓ Faster turnaround times
- ✓ Improved customer resolution
- ✓ Enhanced customer service

Agenda

Who we are Today

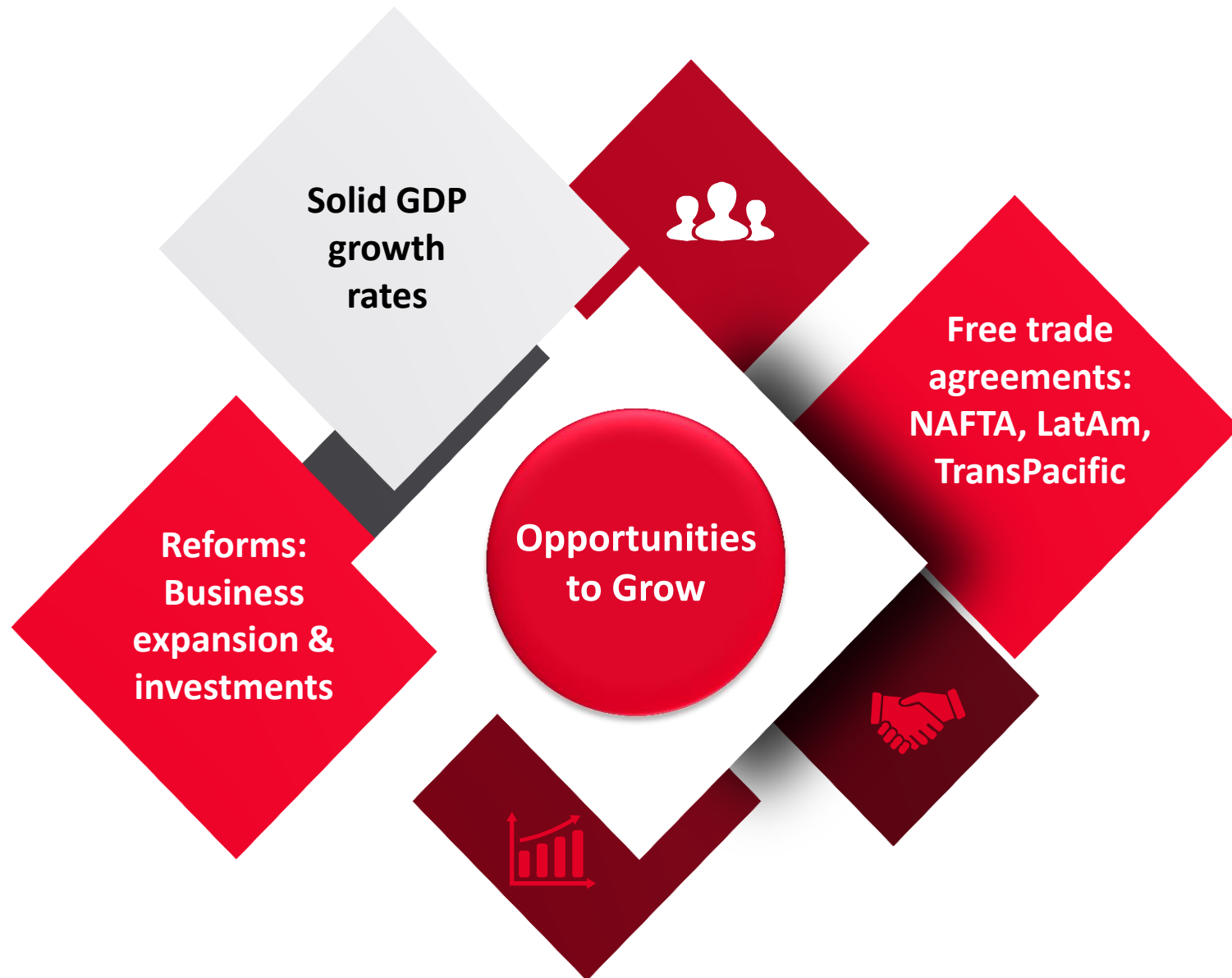
How we Have Performed

What the Business Landscape Looks Like

What Is Driving Our Growth



Positive Business Landscape in Mexico



Agenda

Who we are Today

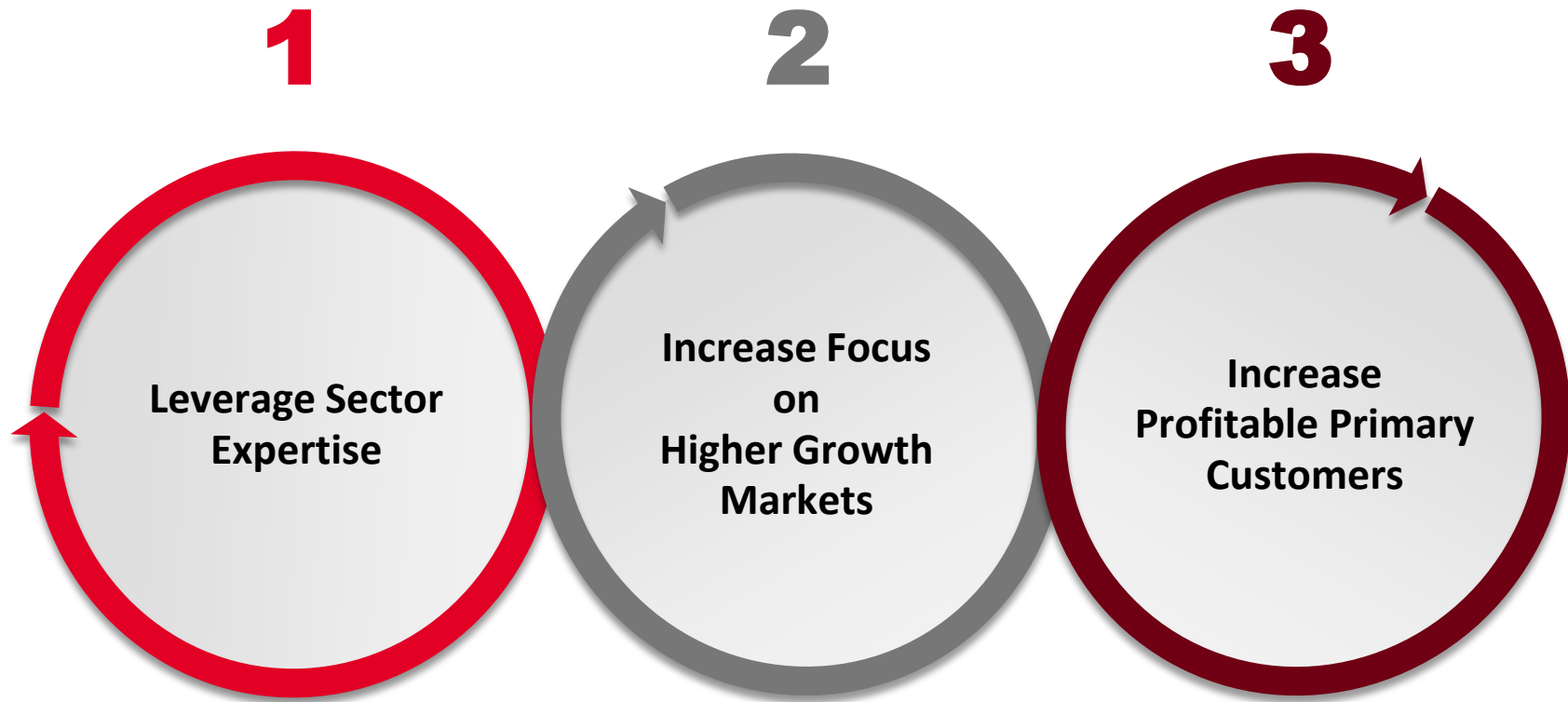
How we Have Performed

What the Business Landscape Looks Like

What Is Driving Our Growth



Three Key Strategies Driving Growth



Leverage Sector Expertise

Income Property Lending

- Niche player with above market growth

Agribusiness

- Industry and lending program specific guidelines

Power, Infrastructure & Energy

- Sophisticated platform that integrates Scotia Waterous expertise
- Active participant in financing for projects

Strategy #2

Increase Focus on Higher Growth Markets



■ Above national growth average

■ Below national growth average

■ Negative growth

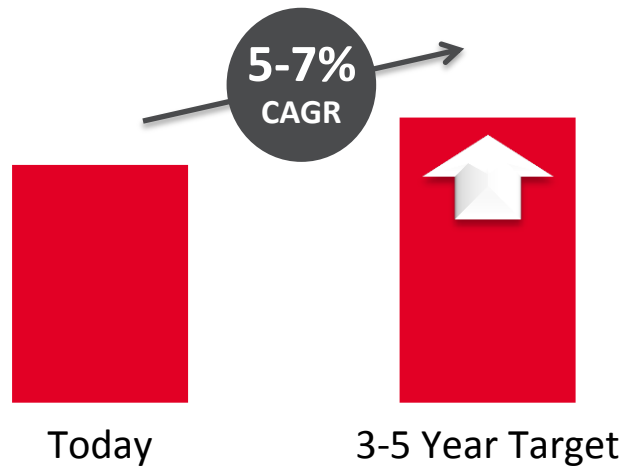
- Reposition to better serve our customers
- Simplification of customer processes
- Increased segment / sector focus – e.g. Mid-Market, Capital Markets
- Deliver an integrated lending, capital markets and investment banking solutions
- Expanded coverage model

Source: Instituto Nacional de Estadística y Geografía “INEGI” - 2013

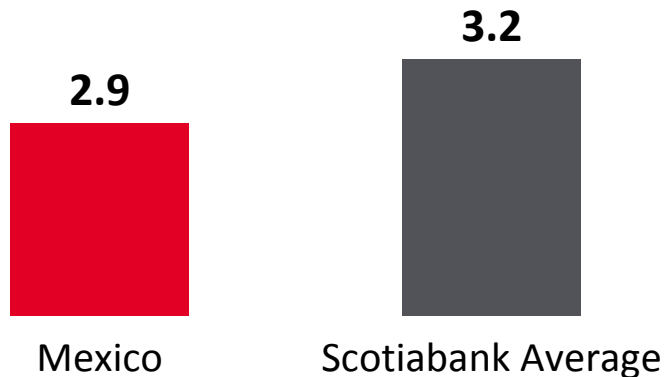
Strategy #3

Increase Profitable Primary Customers

Growth in Total Customers



Increase Products Per Customer



- Increase new customer acquisition
- Deepen customer relationships & increase cross-sell
- Increase internal referrals through collaboration
- Increase referrals by customers & other Financial Institutions
- Increase penetration in precious metals, FX forwards and derivatives solutions

Positioned for Significant Gains

Key Takeaways

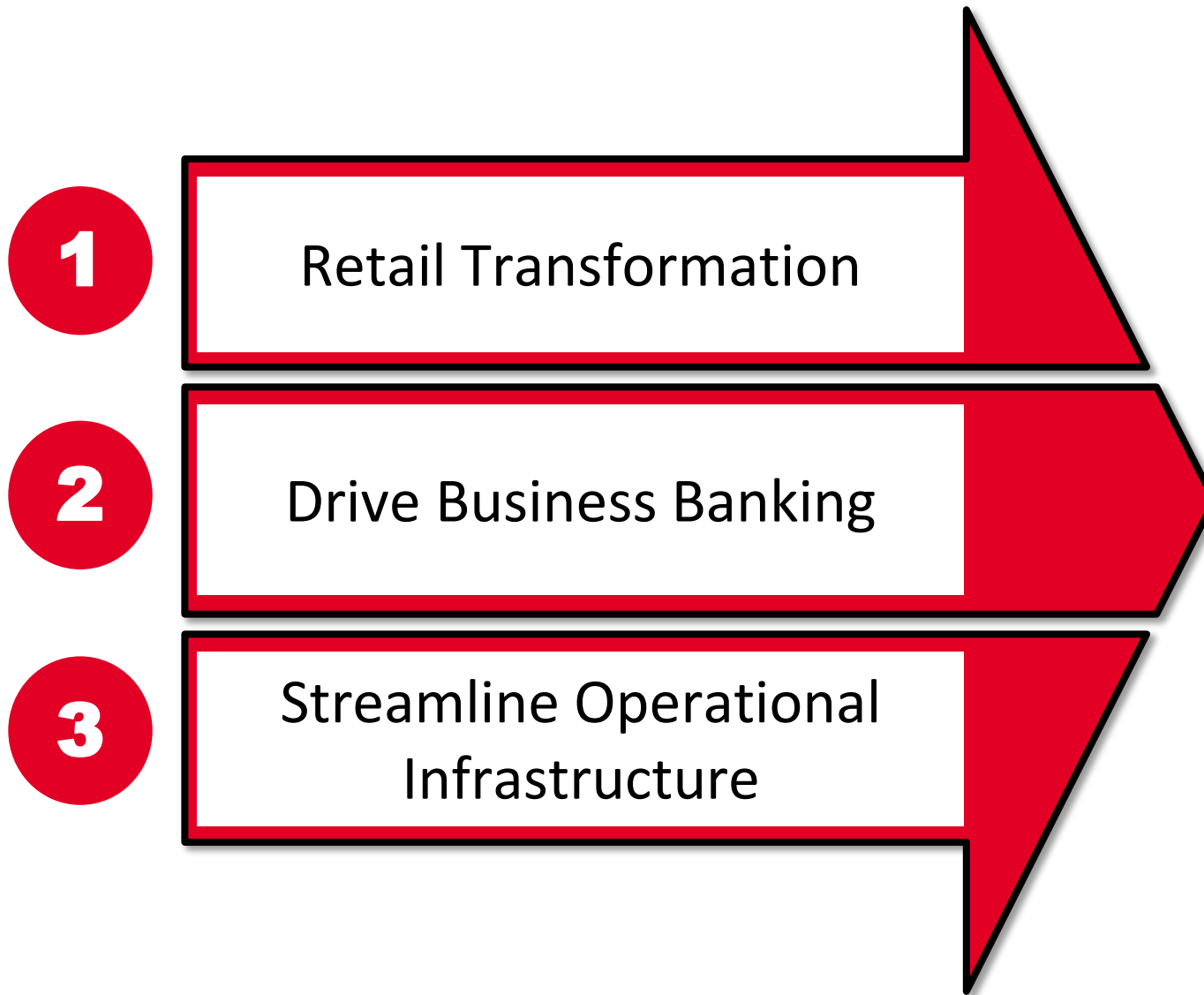
- ☒ Solid business platform
- ☒ Business growth & investment opportunities
- ☒ Renewed strategic focus & commitment to deliver

Mexico Closing Remarks



MEXICO

Three Strategies Driving Growth



Mexico's Transformational Journey

1 Stabilization

2 Transformation

3 Centralization

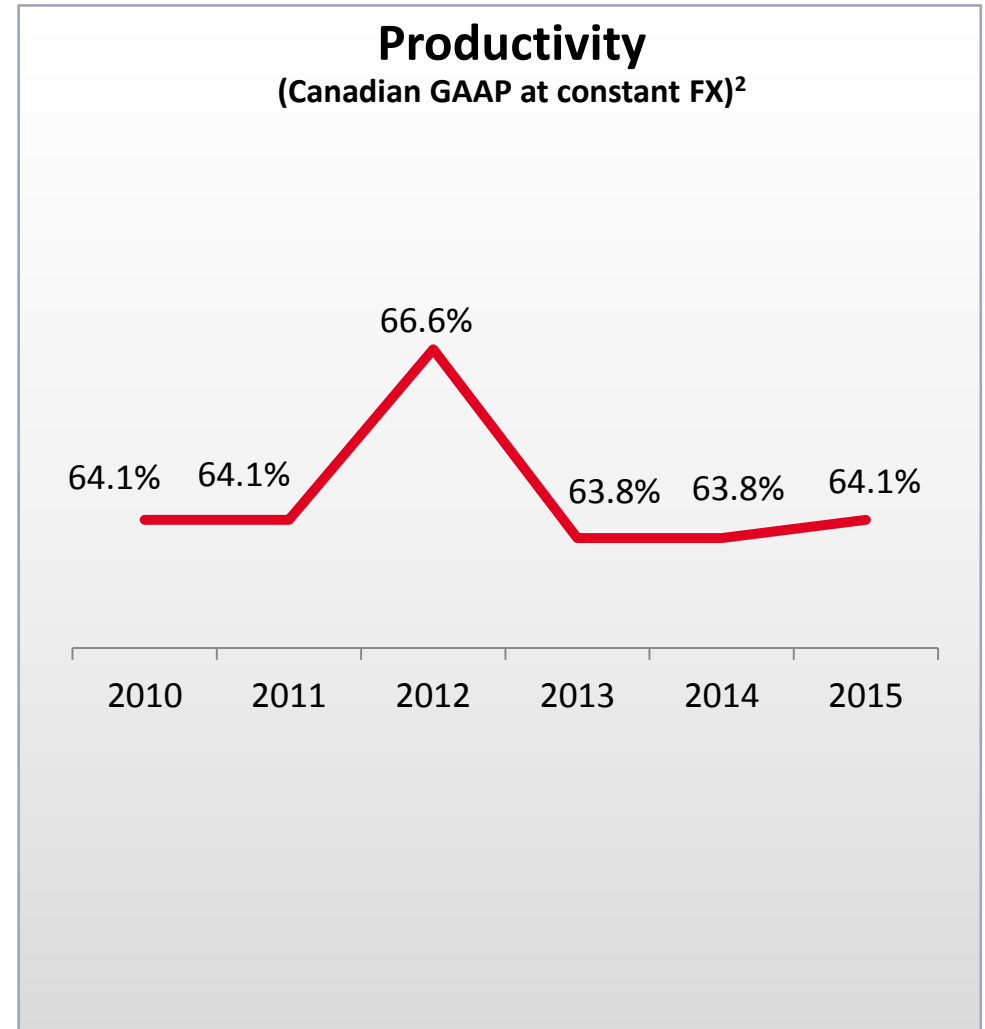
Transforming
our operating model,
organizational structure,
core banking platform,
and customer facing
platforms to become a
market leader

Leadership & Organizational Right-Sizing

1. Leadership to align to culture shifts:
 - Evolve to a well-diversified universal bank
 - From product focused to customer centric
 - Greater shift to digitization
2. Streamlining 'spans & layers' for greater efficiency
3. Building a talent pool to be a competitive advantage in the marketplace

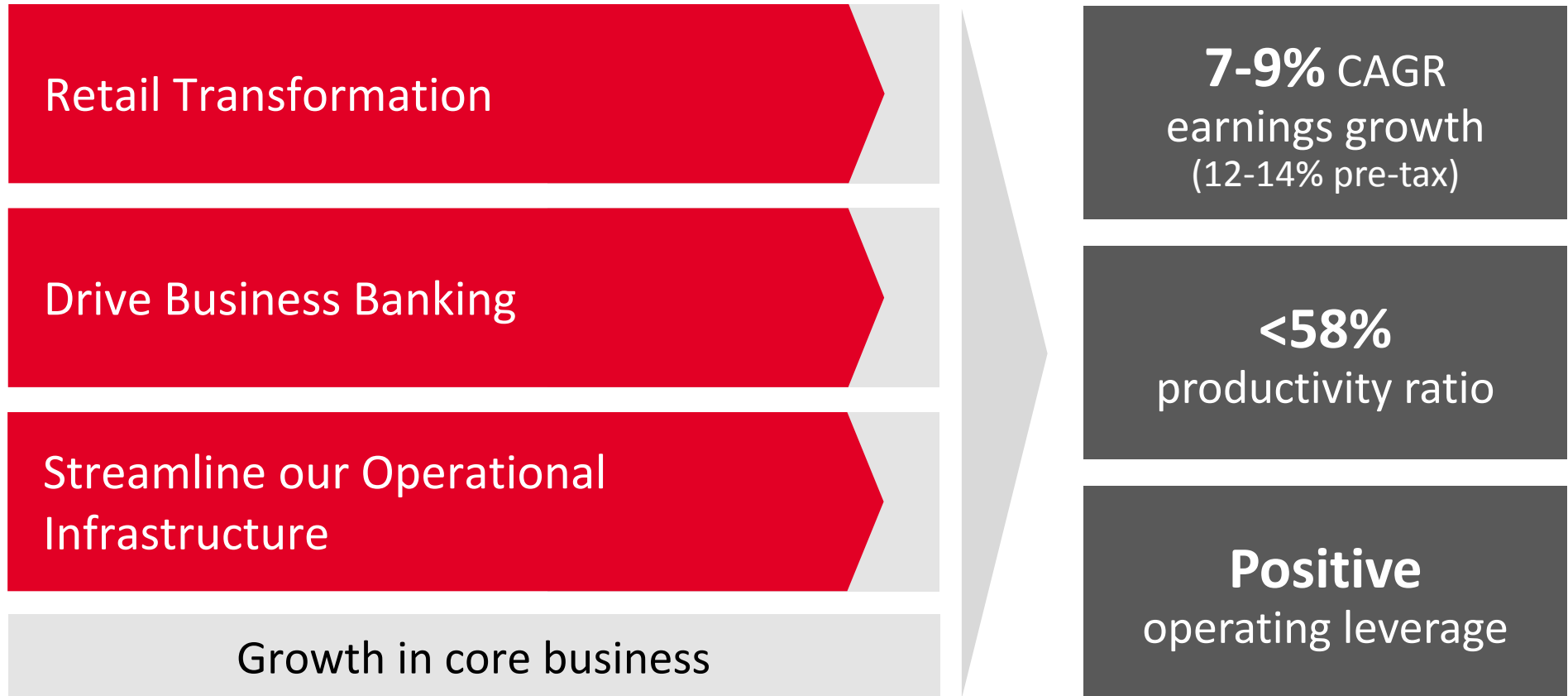
Re-deploying to Invest for Growth

- Optimizing our operating model
- Reducing structural costs
- Revamping our technology platforms
- Redesigning policies & processes
- Making it easier for customers to do business with us
- Rationalizing our product suite
- Evolving our organizational structure



Canadian GAAP. Trend adjusted for restructuring charges

Key Strategic Initiatives Driving Growth in Mexico



Canadian GAAP, constant FX

Positioned to Maintain Profitable Growth

THE OPPORTUNITY

Tremendous growth opportunity

THE REPOSITIONING

Repositioning to accelerate growth

THE STRATEGY

Expanding into high growth &
high profitability segments

Mexico Q&A



MEXICO

Digital Strategy

Mexico



Colombia



Chile



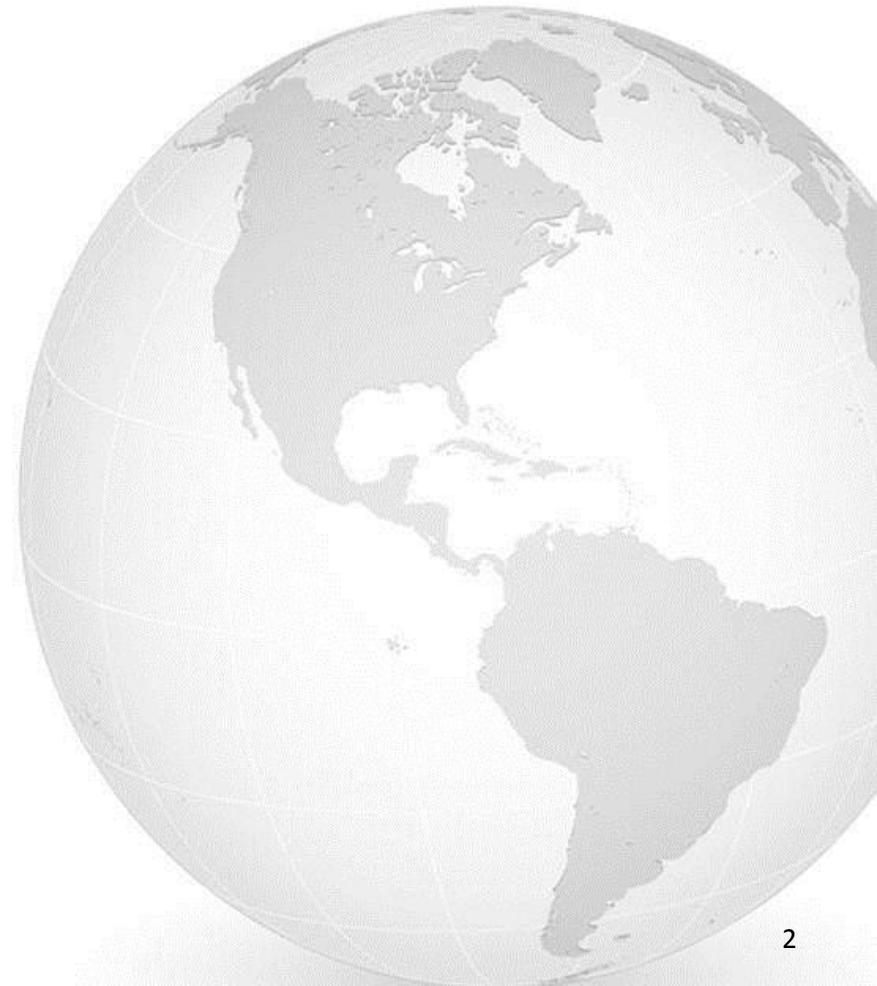
Peru



Agenda

The Latin American Consumer

International Banking Digital Strategy

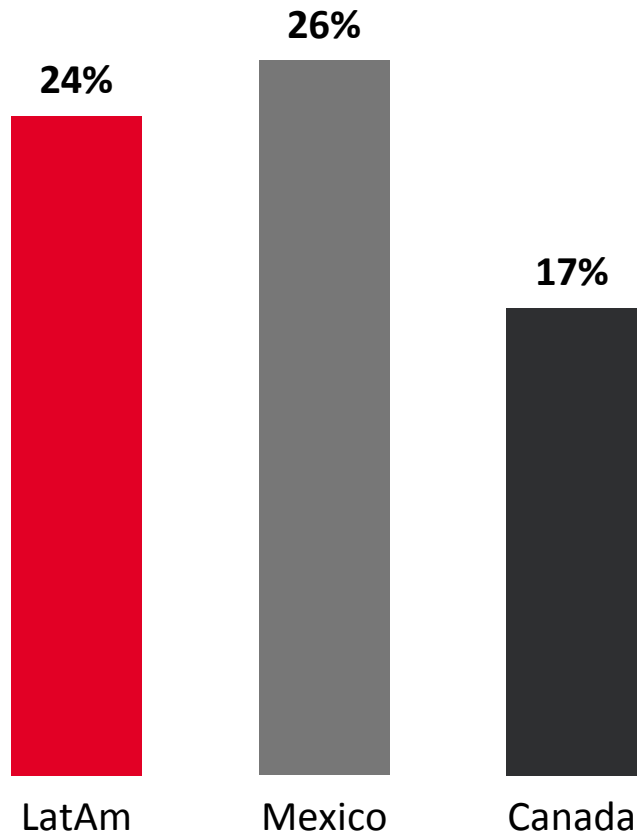


Ripe for Digital Adoption

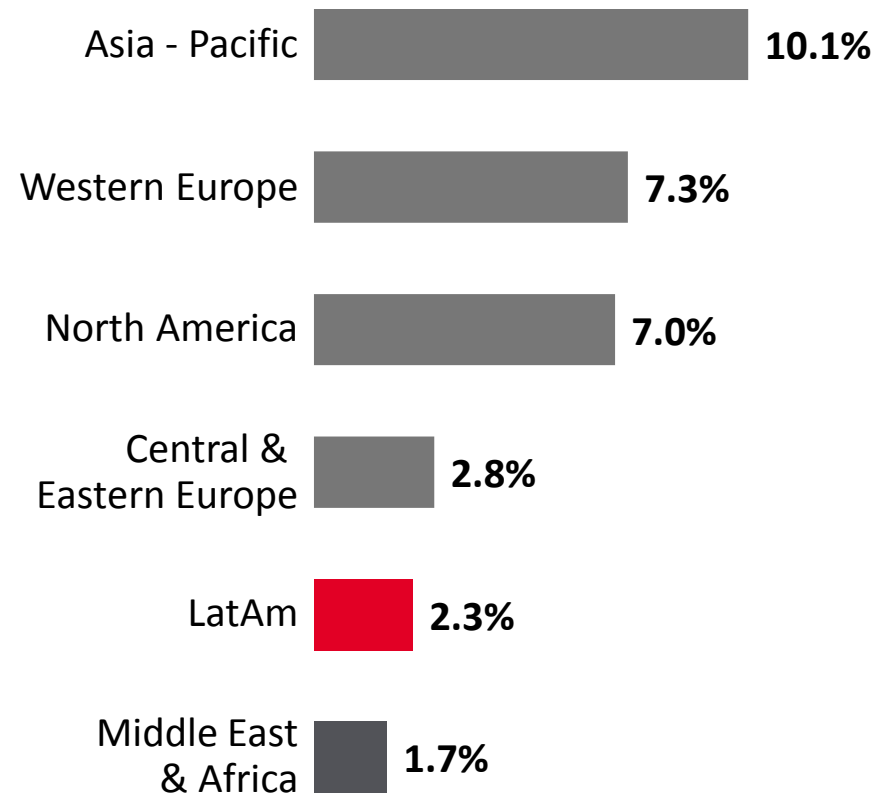


Digital Sales Growing Rapidly with Large Potential

E-commerce Growth 2015
(Market Year-Over-Year Growth Rate)

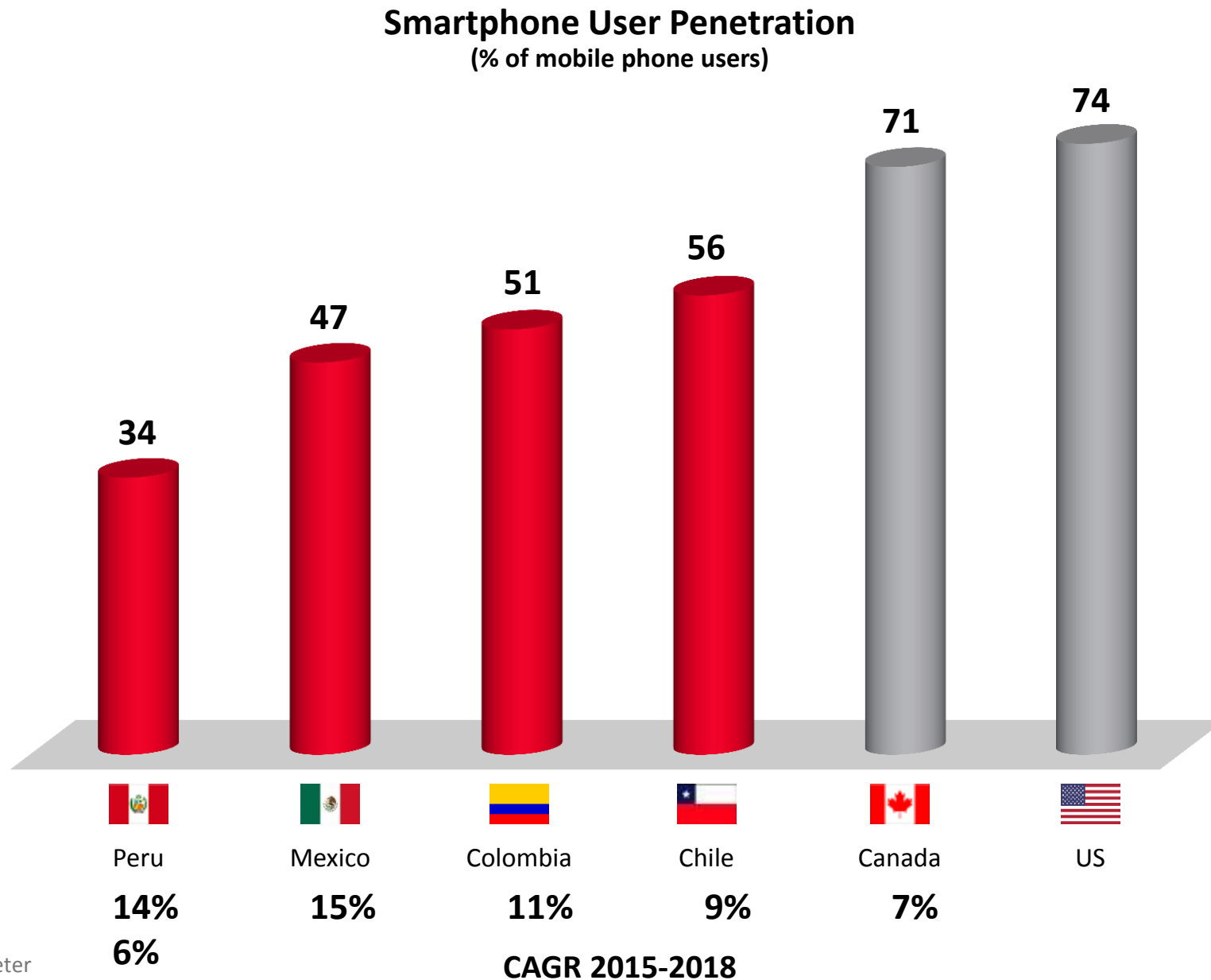


E-commerce Sales
(July 2015 % of Total Retail Sales Worldwide)



Credit Suisse & eMarketer

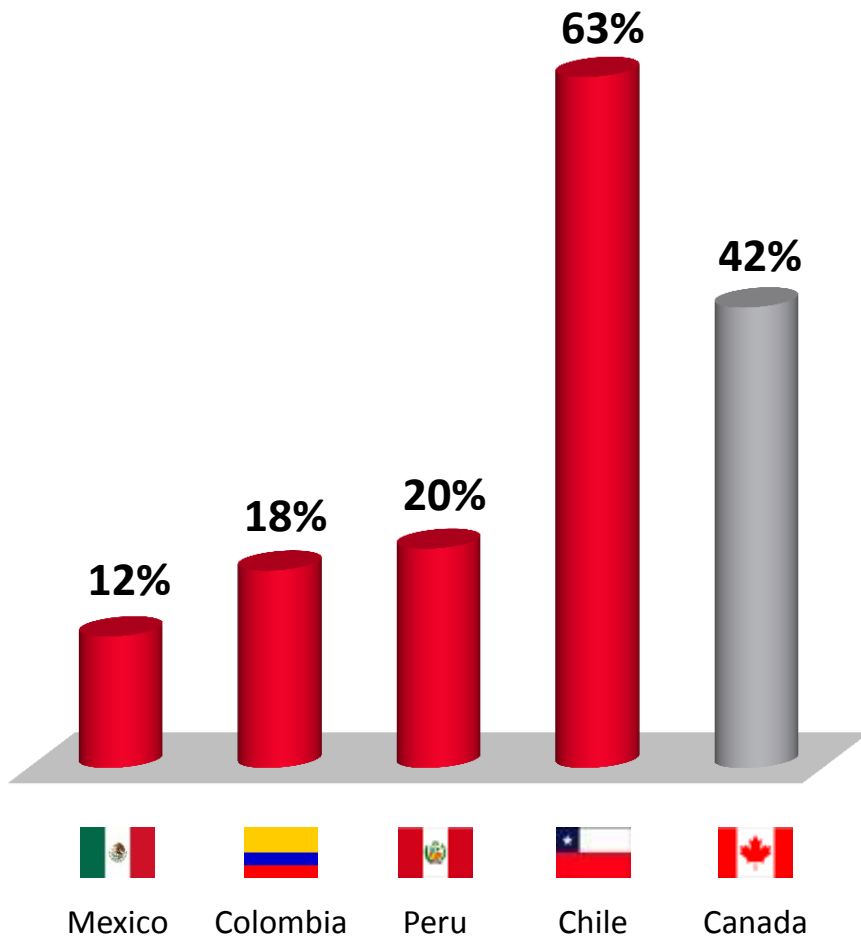
Smartphone Penetration Growing Rapidly



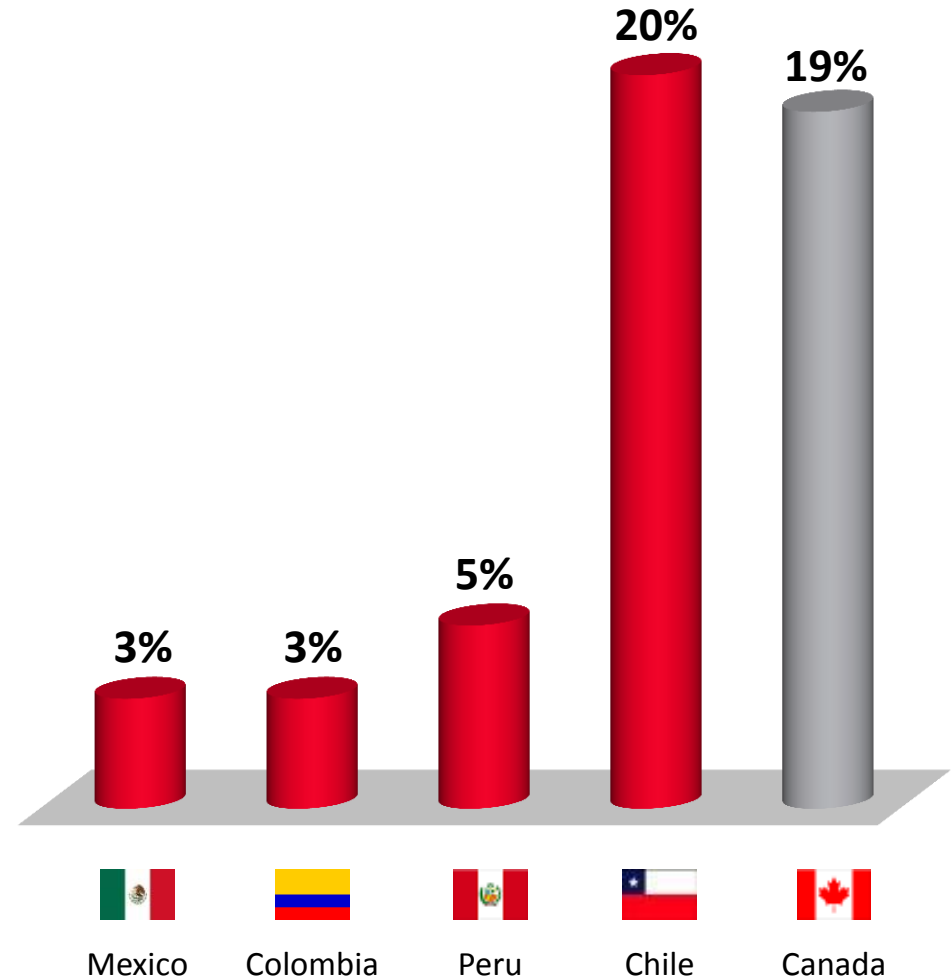
Source: eMarketer

Digital Banking Growth Opportunity

Active Online Customers
(2014 % of Total)



Active Mobile Customers
(2014 % of Total)



Source: Finalta 2014

Governments and Regulators are Supporting Digital Growth



Use of biometrics as a means to formalize economy



Emerging acceptance of digital signatures



Allowance of non-banks to manage mobile money accounts to promote financial inclusion

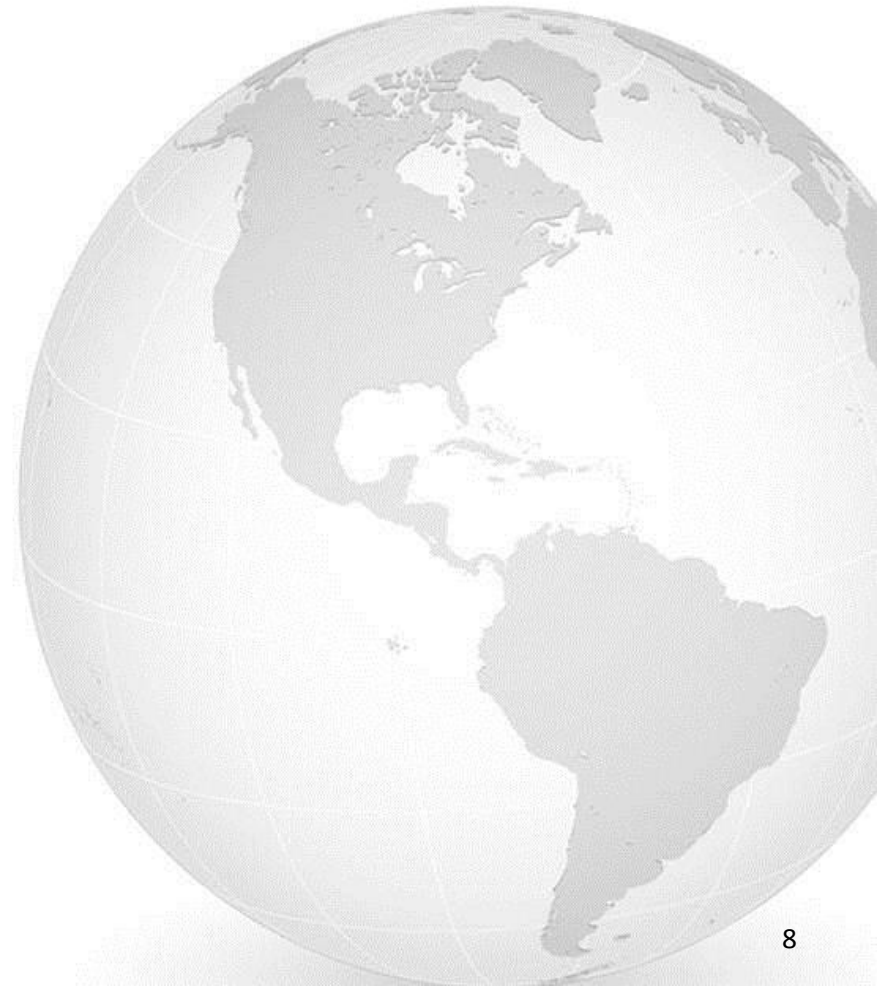


Contactless payments

Agenda

The Latin American Consumer

International Banking Digital Strategy



Strategic Objectives

**Enhance
Customer
Digital
Experience**



**Process
Simplification
&
Digitization**

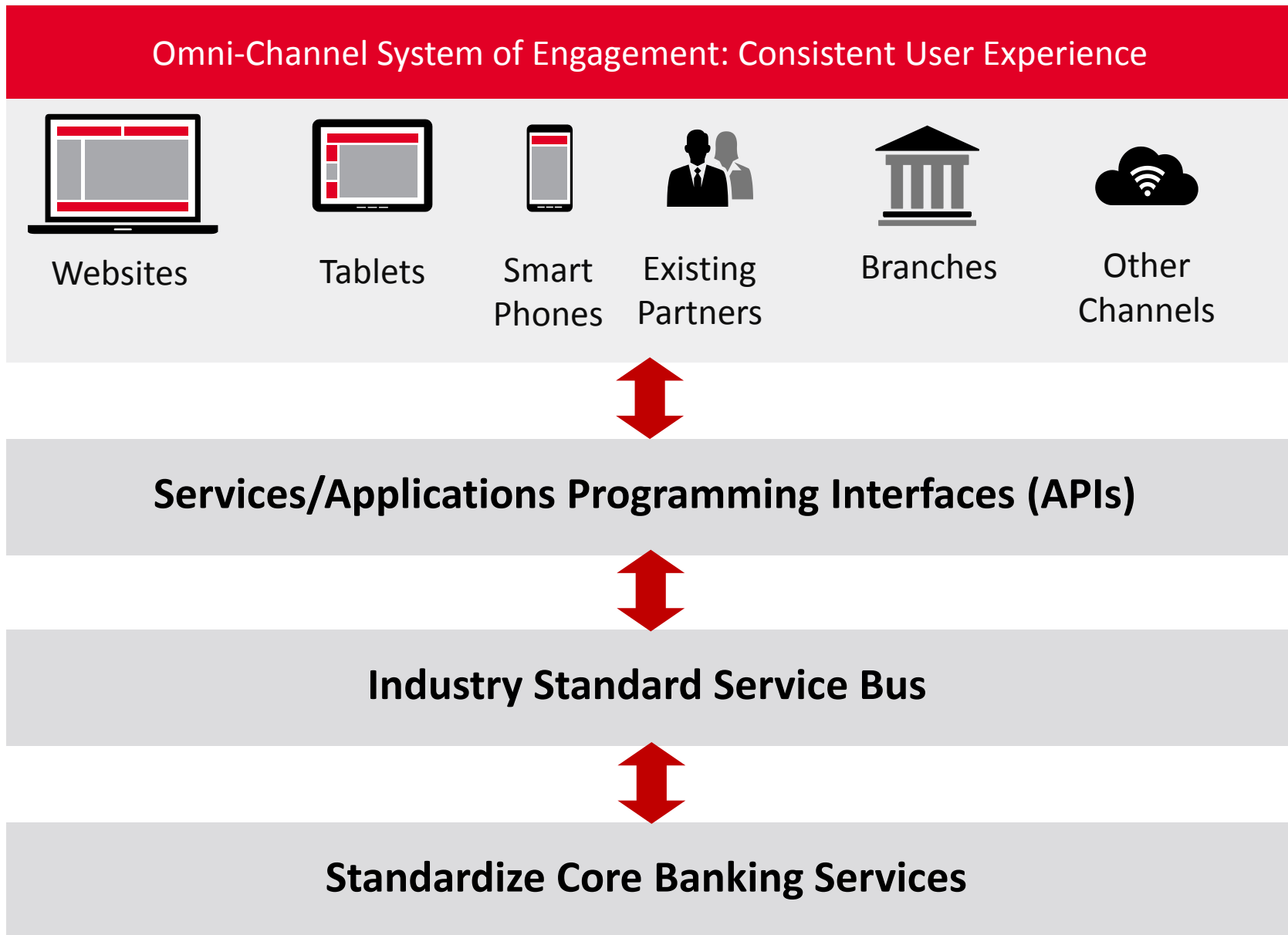


**Build
New Business
Models &
Partnerships**



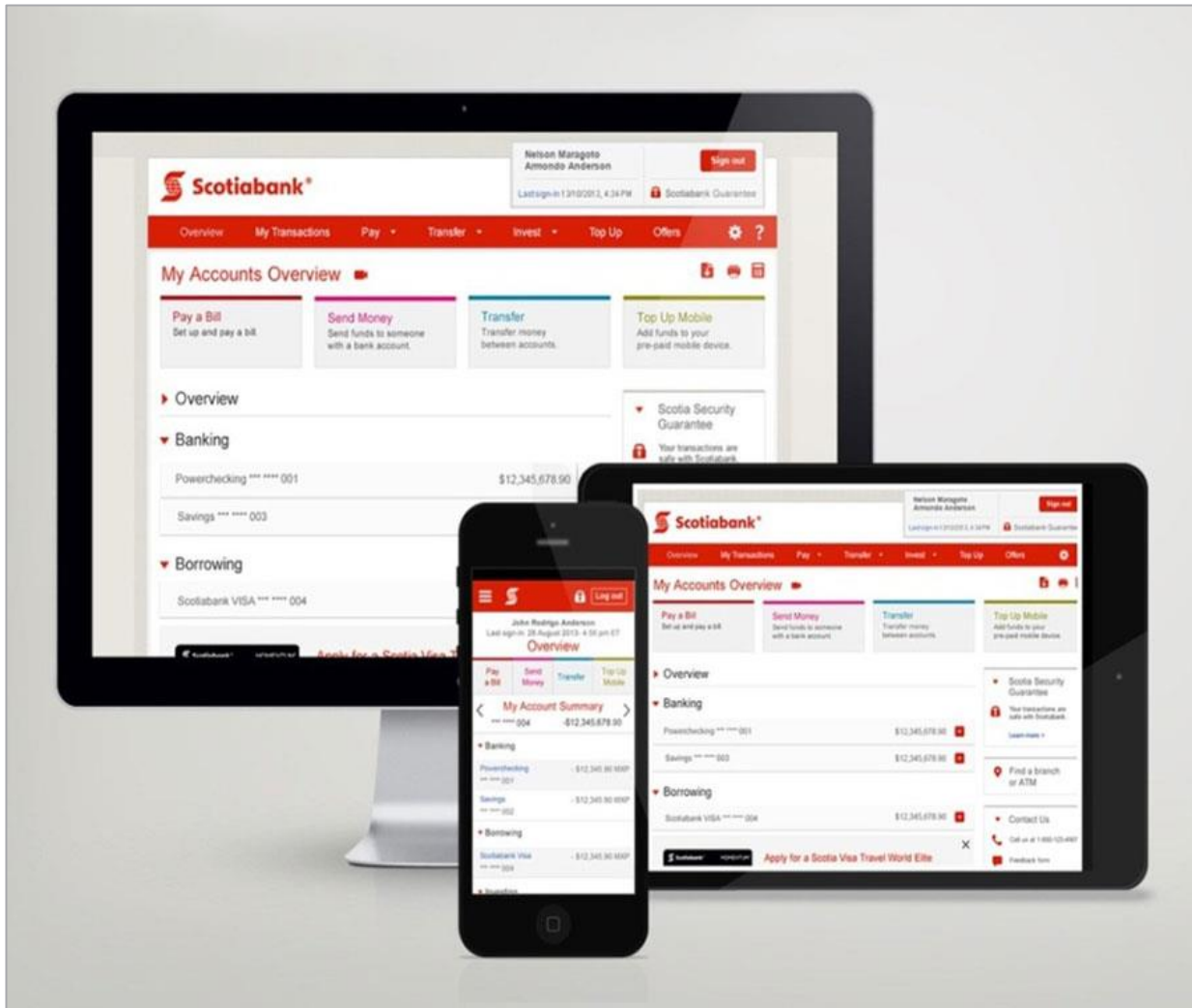
Omni-Channel Technology Foundation

Enabling Omni-Channel Technology



Strategic Initiative #1: Enhance Customer Digital Experience

New Online & Mobile Banking Platform

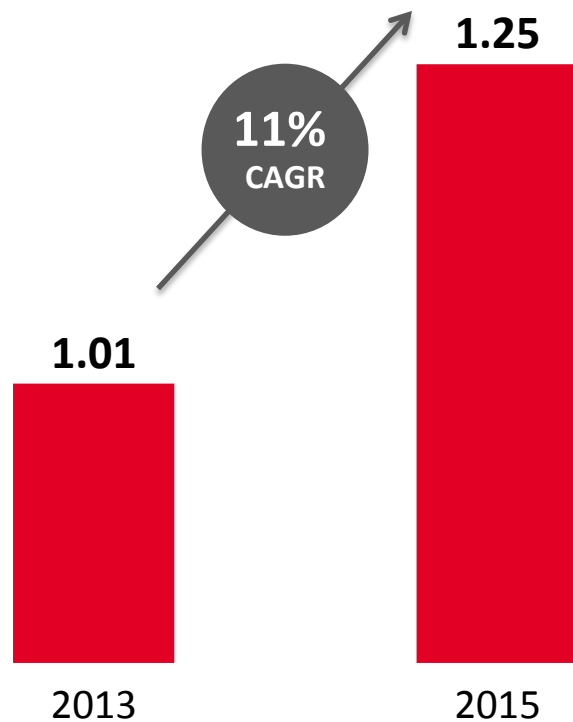


- 'Device adaptive' platform
- Customer experience redesign
- Strengthening our analytics
- Creating the foundation to drive digital sales

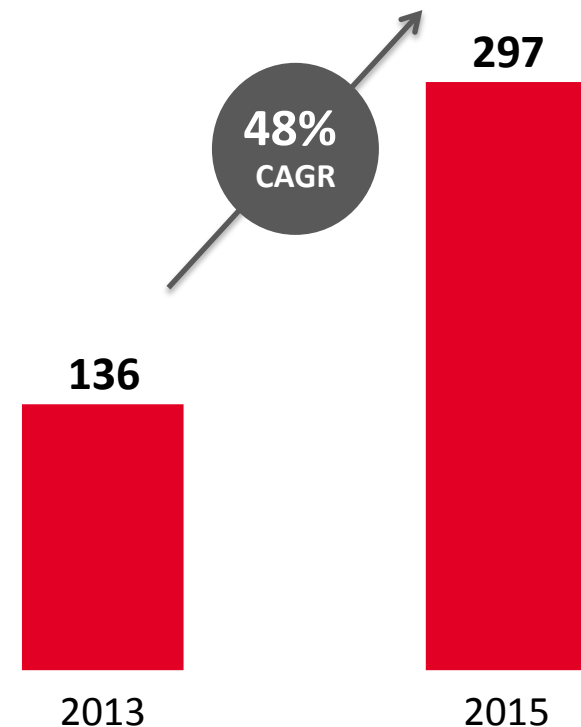
Strategic Initiative #1: Enhance Customer Digital Experience

International Banking's Digital Adoption

Active Online Customers
(in millions)



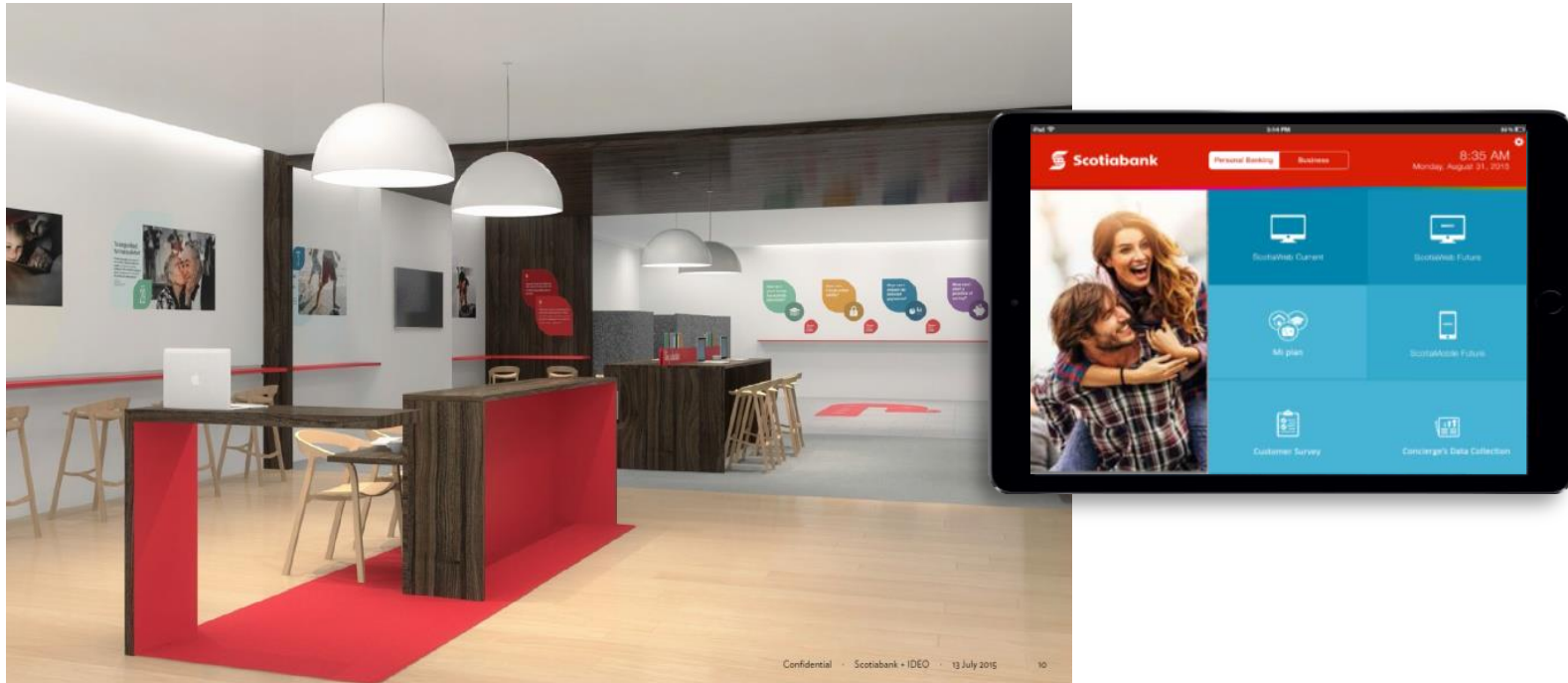
Active Mobile Customers
(in thousands)



4x digital customer profitability vs. non-digital customers

Strategic Initiative #1: Enhance Customer Digital Experience

Redesigning our Branches



- Engaged IDEO - leading global design firm
- Re-imagining the customer experience
- Featuring new technology to facilitate transaction migration
- Launching new 'My Financial Plan' tool

Strategic Initiative #2: Process Simplification & Digitization

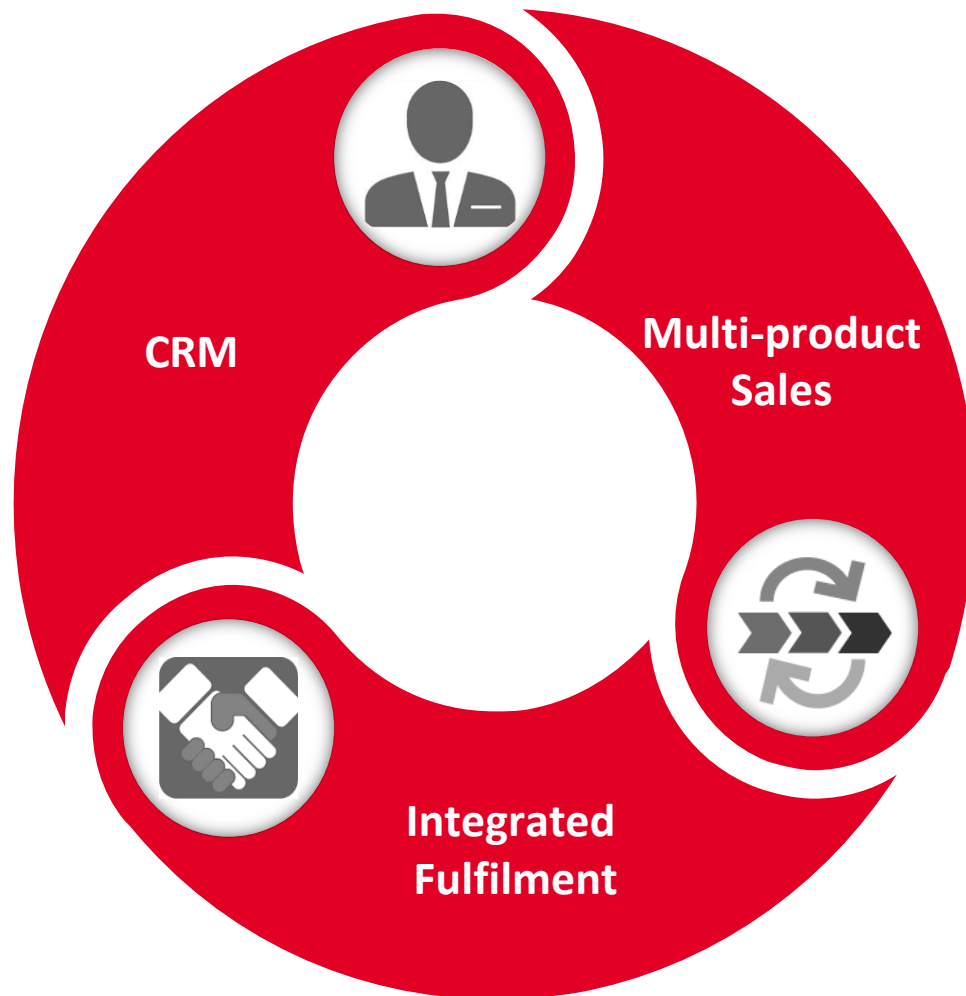
Increasing Productivity by Getting Closer to the Customer

Two screenshots of the Scotiabank digital application interface. The left screenshot shows the 'Nueva Solicitud No Programada' (New Unprogrammed Request) form, which includes fields for 'DATOS DEL CLIENTE' (Client Data) such as Name, Date, ID, and Address. The right screenshot shows the 'Firmas Digitales' (Digital Signatures) section, where a user's signature is being captured on a tablet screen. The interface is clean and modern, with a red header and a sidebar menu.

- Leveraging digital applications and signatures
- Increasing productivity and cycle times
- Launching the electronic capture of customer information directly from their ID

Strategic Initiative #2: Process Simplification & Digitization

Redesigning our Technology Processes



- Integrated CRM & Multi-product origination platform
- Reduce time to make a sale
- Make customer opportunities more readily available for sales officers
- Enable greater automation of lending

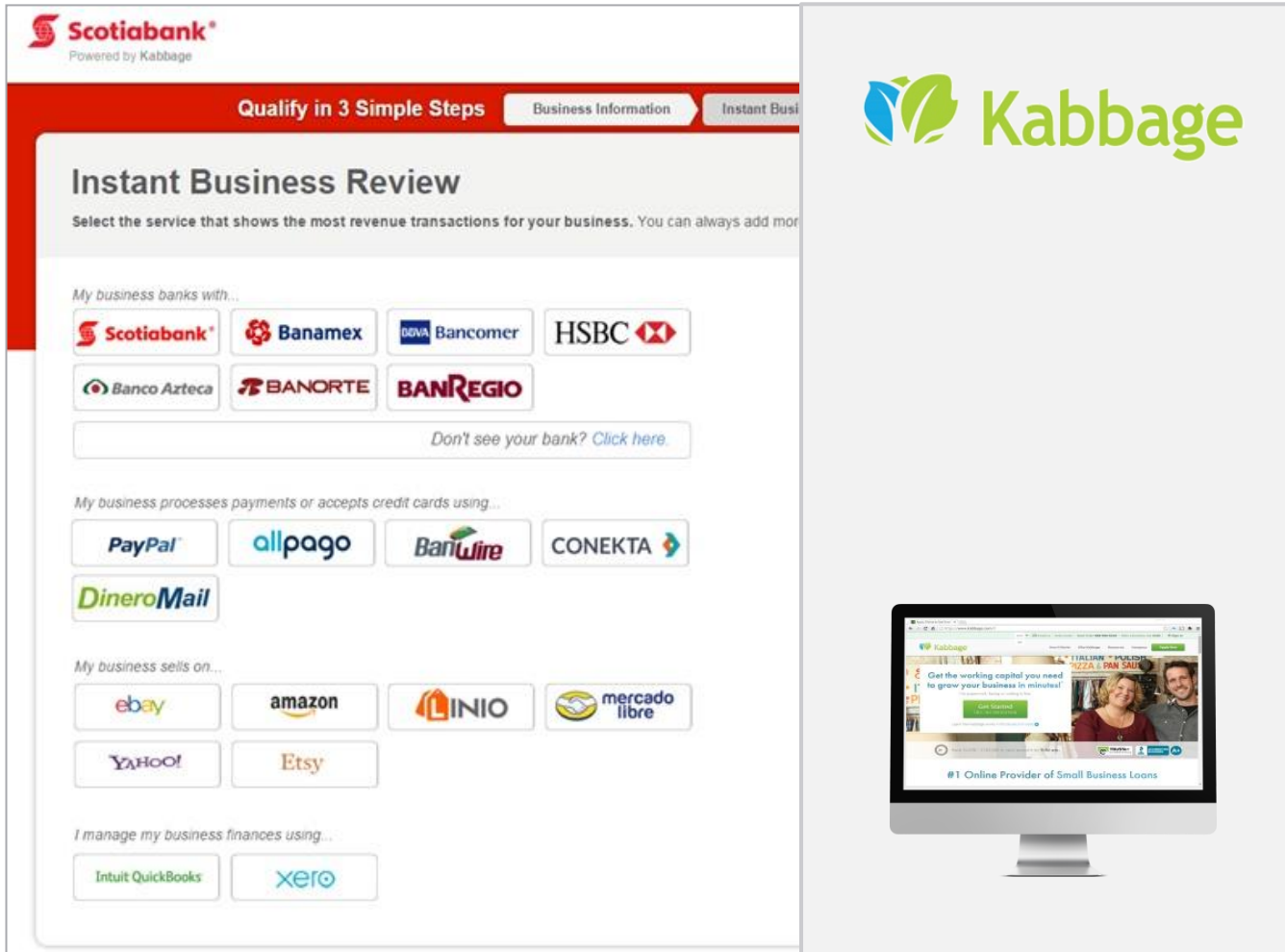
Strategic Initiative #3: Build New Business Models & Partnerships Leveraging Digital to Drive Customer Growth



- Latin America's largest online retailer with similar footprint to Scotiabank
- Co-branded credit card in Colombia & Mexico
- Launching digital applications
- Opportunity to leverage digital applications for sales across select alliance partners

Strategic Initiative #3: Build New Business Models & Partnerships

Fintech Partnerships to Drive Growth & Customer Experience



Scotiabank
Powered by Kabbage

Qualify in 3 Simple Steps: Business Information | Instant Business Review

Instant Business Review

Select the service that shows the most revenue transactions for your business. You can always add more.

My business banks with...

Scotiabank, Banamex, BDO Bancomer, HSBC, Banco Azteca, BANORTE, BANREGIO

Don't see your bank? [Click here](#)

My business processes payments or accepts credit cards using...

PayPal, allpago, BariWire, CONEKTA, DineroMail

My business sells on...

ebay, amazon, LINIO, mercado libre, Yahoo!, Etsy

I manage my business finances using...

Intuit QuickBooks, xero



- Online lending and data analytics platform for small businesses
- Risk scoring based on non-traditional data
- Automated funding to small businesses in minutes



What Else Is Coming

Enhanced Customer Digital Experience

- Customer offers and analytics engine
- Onmi-channel loyalty platform & analytics
- Digital Sales

Digital Process Automation

- Biometrics
- Intelligent Deposits Machines (IDMs)

New Business Models & Partnerships

- Mobile Payments
- Analytics

Three Year Growth Targets

	Today		3-5 Year Target
Online penetration	15%	➔	20%-25%
Mobile penetration	5%	➔	10%-15%
% of branch transactions	50%	➔	35%-45%
% reduction in sales processes through digitization (account opening time)	—	➔	>20%
% of digital sales	<5%	➔	5%-10%

Digitizing & Simplifying Banking

Simplify

Make it easier for our customers to do business with us

Migrate

Digitize to grow and reduce our cost-to-serve

Grow

Grow our digitally active customer base and leverage analytics to make customer-relevant offers

Digital Strategy Q&A

Mexico



Colombia



Chile



Peru

