



Investor Presentation

Second Quarter 2019



CAUTION REGARDING FORWARD-LOOKING STATEMENTS

From time to time, 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. In addition, representatives of the Bank may include forward-looking statements orally to analysts, investors, the media and others. All such statements are made pursuant to the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. Forward-looking statements may include, but are not limited to, statements made in this document, the Management’s Discussion and Analysis in the Bank’s 2018 Annual Report under the headings “Outlook” and in other statements regarding the Bank’s objectives, strategies to achieve those objectives, the regulatory environment in which the Bank operates, anticipated financial results, 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,” “foresee,” “forecast,” “anticipate,” “intend,” “estimate,” “plan,” “goal,” “project,” and similar expressions of future or conditional verbs, such as “will,” “may,” “should,” “would” and “could.”

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that our predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that our assumptions may not be correct and that our financial performance objectives, vision and strategic goals will not be achieved.

We caution readers not to place undue reliance on these statements as a number of risk factors, many of which are beyond our control and effects of which can be difficult to predict, could cause our actual results to differ materially from the expectations, targets, estimates or intentions expressed in such forward-looking statements.

The future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to: general economic and market conditions in the countries in which we operate; changes in currency and interest rates; increased funding costs and market volatility due to market illiquidity and competition for funding; the failure of third parties to comply with their obligations to the Bank and its affiliates; changes in monetary, fiscal, or economic policy and tax legislation and interpretation; changes in laws and regulations or in supervisory expectations or requirements, including capital, interest rate and liquidity requirements and guidance, and the effect of such changes on funding costs; changes to our credit ratings; operational and infrastructure risks; reputational risks; the accuracy and completeness of information the Bank receives on customers and counterparties; the timely development and introduction of new products and services; our ability to execute our strategic plans, including the successful completion of acquisitions and dispositions, including obtaining regulatory approvals; critical accounting estimates and the

effect of changes to accounting standards, rules and interpretations on these estimates; global capital markets activity; the Bank’s ability to attract, develop and retain key executives; the evolution of various types of fraud or other criminal behaviour to which the Bank is exposed; disruptions in or attacks (including cyber-attacks) on the Bank’s information technology, internet, network access, or other voice or data communications systems or services; increased competition in the geographic and in business areas in which we operate, including through internet and mobile banking and non-traditional competitors; exposure related to significant litigation and regulatory matters; the occurrence of natural and unnatural catastrophic events and claims resulting from such events; 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. The Bank cautions that the preceding list is not exhaustive of all possible risk factors and other factors could also adversely affect the Bank’s results, for more information, please see the “Risk Management” section of the Bank’s 2018 Annual Report, as may be updated by quarterly reports.

Material economic assumptions underlying the forward-looking statements contained in this document are set out in the 2018 Annual Report under the headings “Outlook”, as updated by quarterly reports. The “Outlook” sections are based on the Bank’s views and the actual outcome is uncertain. Readers should consider the above-noted factors when reviewing these sections. 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. Any forward-looking statements contained in this document represent the views of management only as of the date hereof and are presented for the purpose of assisting the Bank’s shareholders and analysts in understanding the Bank’s financial position, objectives and priorities, and anticipated financial performance as at and for the periods ended on the dates presented, and may not be appropriate for other purposes. Except as required by law, the Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf.

Additional information relating to the Bank, including the Bank’s Annual Information Form, can be located on the SEDAR website at www.sedar.com and on the EDGAR section of the SEC’s website at www.sec.gov.

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Scotiabank Overview

Canada's International Bank

Top 10 Bank in the Americas^{1,2}

Americas

7th largest bank by assets¹

10th largest bank by market capitalization¹



Europe



Asia

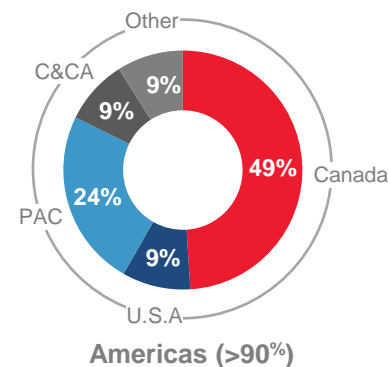


Scotiabank ³	FY 2019 YTD	Change YTD/YTD
Revenue	\$15.2B	8%
Net Income	\$4.6B	-
Return on Equity	13.7%	-190bps
Operating Leverage ⁴	-1.9%	-
Productivity Ratio ⁴	53.2%	+90bps
Total Assets	\$1.1T	+14.2%

Ranking by Market Share⁵

USMCA	Canada	#3
	USA	Top 10 Foreign Bank
PAC	Mexico	#6
	Peru	#3
	Chile	#3
	Colombia	#5

Earnings by Geography^{3,6}

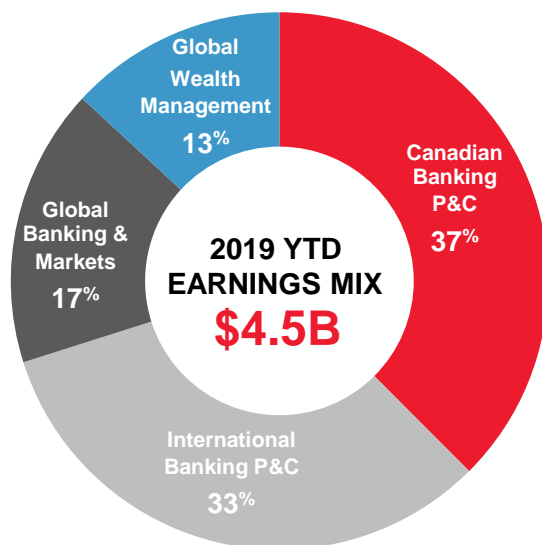


¹ Source: Bloomberg May 25, 2019; ² By assets and market capitalization; ³ Figures adjusted for Acquisition and divestiture-related amounts, including Day 1 PCLs, integration and amortization costs related to current acquisitions, amortization of intangibles related to current and past acquisitions and net gain on divestitures; ⁴ Exclude employee benefits re-measurement credit of \$203MM pre-tax, \$150MM after-tax in Q1/18; ⁵ Ranking based on market share in loans as of March 2019 for PACs, as of February 2019 in Canada for publicly traded banks; ⁶ For the six months ended April 30, 2019

Well-Diversified and Profitable Business

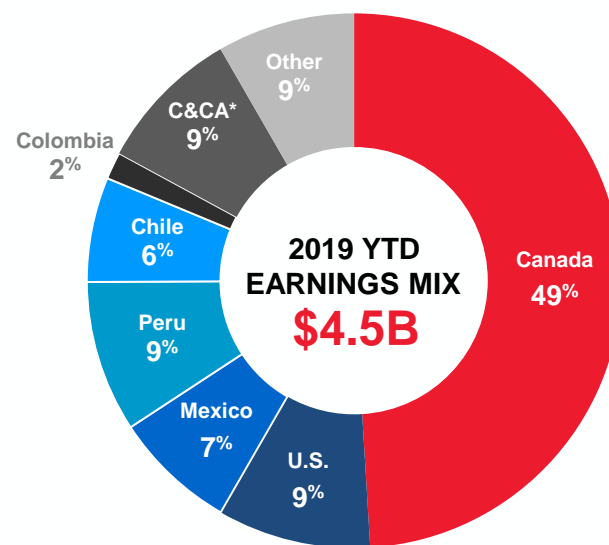
Diversified by business and by geography, creating stability and lowering risk

Earnings by Business^{1,2,3}

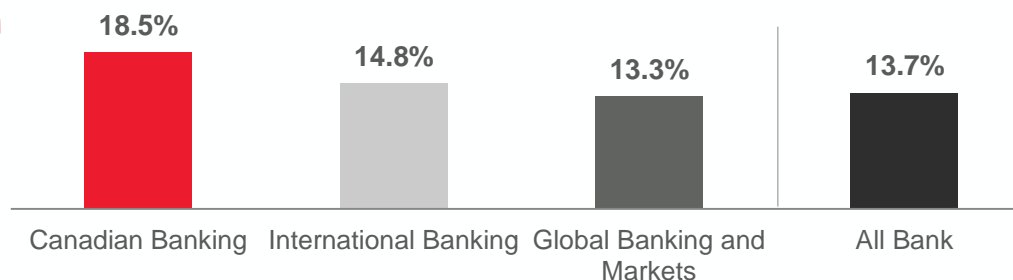


Earnings by Geography^{1,2,3}

* Caribbean and Central America



Adjusted Return on Equity^{1,2} by Division



¹ For the six months ended April 30, 2019; ² Figures adjusted for Acquisition and Divestiture-related amounts, including Day 1 PCLs, integration and amortization costs related to current acquisitions, amortization of intangibles related to current and past acquisitions and net gain on divestitures; ³ Excluding Corporate adjustments

Medium-Term Financial Objectives¹

METRICS	OBJECTIVES	Q2/19 RESULTS ² (YTD/YTD Change)
ALL BANK		
EPS Growth	7%+	-3.9%
ROE	14%+	13.7%
Operating Leverage ³	Positive	(1.9%)
Capital	Strong Levels	11.1% (11.3% pro-forma announced divestitures)
Dividend Payout Ratio	40%-50%	49.7%
BUSINESS LINE		
CANADIAN BANKING		
Net Income Growth	7%+	+1%
Productivity Ratio	<49%	50.0%
INTERNATIONAL BANKING		
Net Income Growth ⁴	9%+	+16%
Productivity Ratio	<51%	50.5%

¹ 3-5 year objectives. ² Figures adjusted for Acquisition and divestiture-related amounts, including Day 1 PCLs, integration and amortization costs related to current acquisitions, amortization of intangibles related to current and past acquisitions and net gain on divestitures; ³ Excludes employee benefits re-measurement credit of \$203MM pre-tax, \$150MM after-tax in Q1/18; ⁴ On a constant dollar basis

Why Invest in Scotiabank?



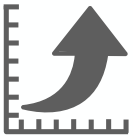
Canada's international bank
and a top 10 bank in the
Americas

- Unique footprint provides diversification with growth
- Strong balance sheet, capital and liquidity ratios
- Attractive dividend yield, return on equity and valuation



Diversified exposure to high
quality growth markets

- Leading Canadian banking franchise
- Leading bank in the Pacific Alliance growth markets of Mexico, Peru, Chile and Colombia
- Earnings growth in personal & commercial, wealth, and wholesale businesses



Increasing scale and market
share in key markets

- Gaining market share in key markets of Canada, the U.S. and the Pacific Alliance countries
- Top 3 bank in Canada, Chile and Peru
- Increasing scale in Wealth Management and Pacific Alliance with \$7B of strategic acquisitions in 2018



Improving quality of earnings
while reducing risk profile

- ~80% of earnings from core personal and commercial banking businesses
- Exited 20 non-core countries and businesses since 2014
- Strong Canadian risk management culture – building stronger capabilities for AML and cybersecurity



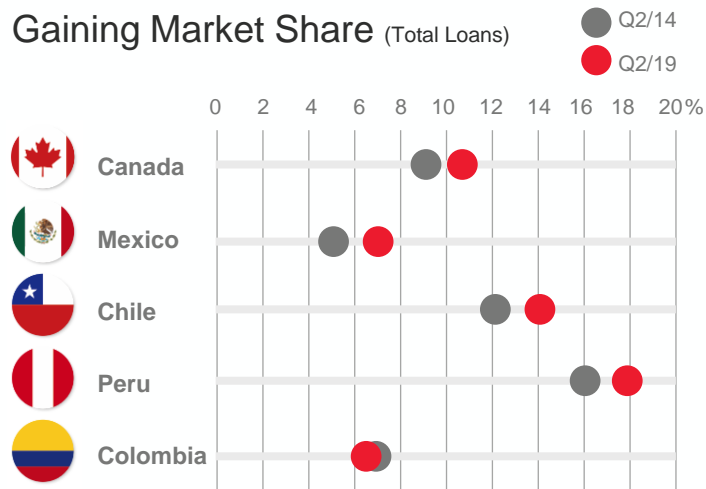
Enhancing competitive
advantage in technology
and talent

- Leading levels of technology investment supports digital banking strategy. Increasing digital sales adoption with clear targets
- Well positioned in the Pacific Alliance to leverage technology, risk management and funding versus local and global competitors
- Named to Top 25 "World's Best Workplaces" (2018)

Increasing Scale, Improving Focus¹

Gaining scale in key markets to drive earnings growth, improve earnings quality and reduce risk

Gaining Market Share (Total Loans)



Increasing Scale with Strategic Acquisitions (2017-2019)

	Canada		JARISLOWSKY FRASER GLOBAL INVESTMENT MANAGEMENT	Adds wealth management assets of \$96B. Adds 110,000 potential primary customers.
	Chile			Doubles market share. Creates 3rd largest bank.
	Peru			Creates 2nd largest bank in credit cards.
	Colombia			Creates market leader in credit cards.
	Dominican Republic			Doubles customer base. Creates 4th largest bank.

Improving Earnings Quality

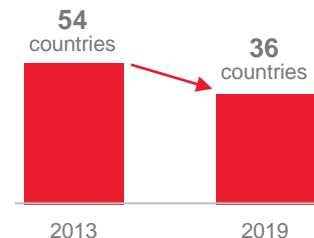


Increased Wealth Management assets under management
by 43%² to **\$297B**

Targeting Wealth Management earnings contribution to All-Bank earnings of **15%** over medium-term

Establishing Global Wealth Management as standalone division in Q1/20

Reducing Risk Profile



Between 2014 and 2019, exited **18 countries** with either low returns, small scale or higher operational risk, including:

Turkey • Russia • Haiti • Egypt
Taiwan • UAE • 12 others

Exited **6 non-core businesses**

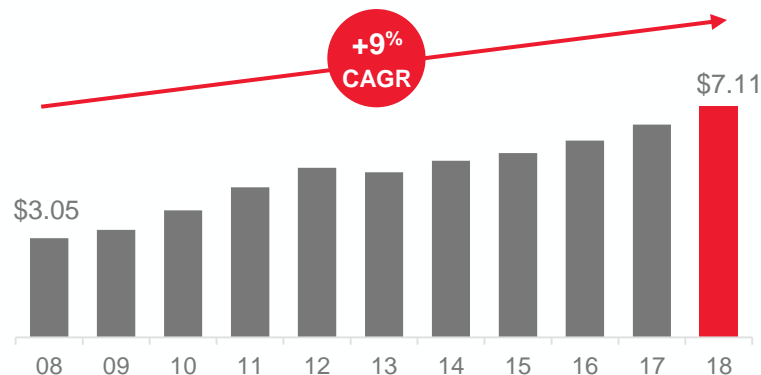
- Reduced wholesale funding (% of assets) from **29.6%** to **22.9%**

¹ 5-year period 2014-2019; ² Q4 2017 to Q2 2019

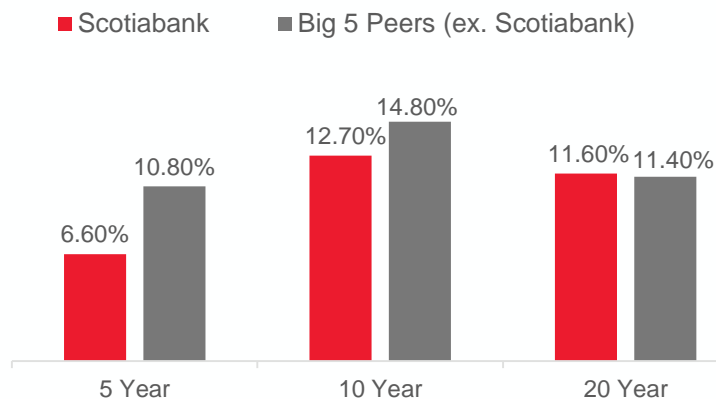
Strong Track Record of Earnings and Dividend Growth

Stable and predictable earnings with steady increases in dividends

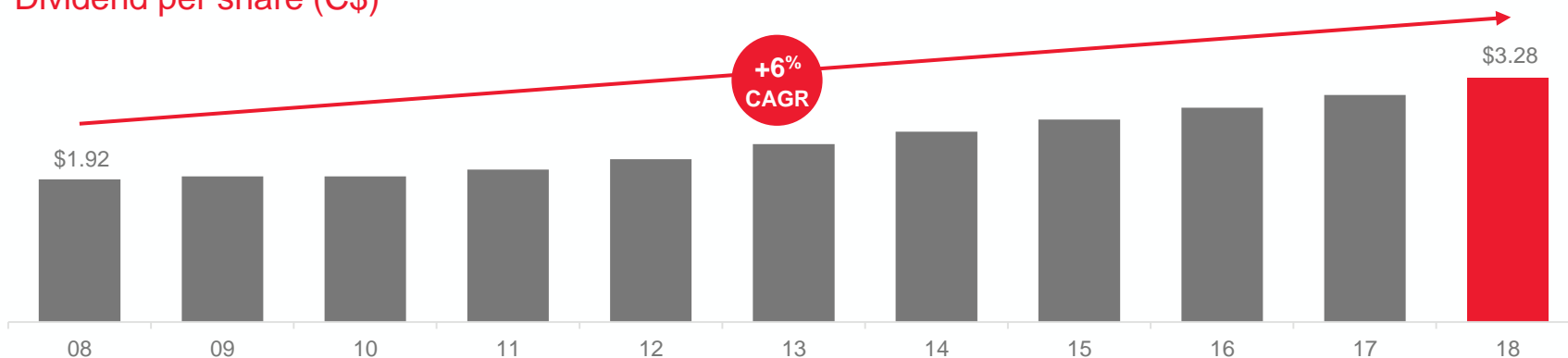
Earnings per share (C\$)^{1,2}



Total shareholder return³



Dividend per share (C\$)

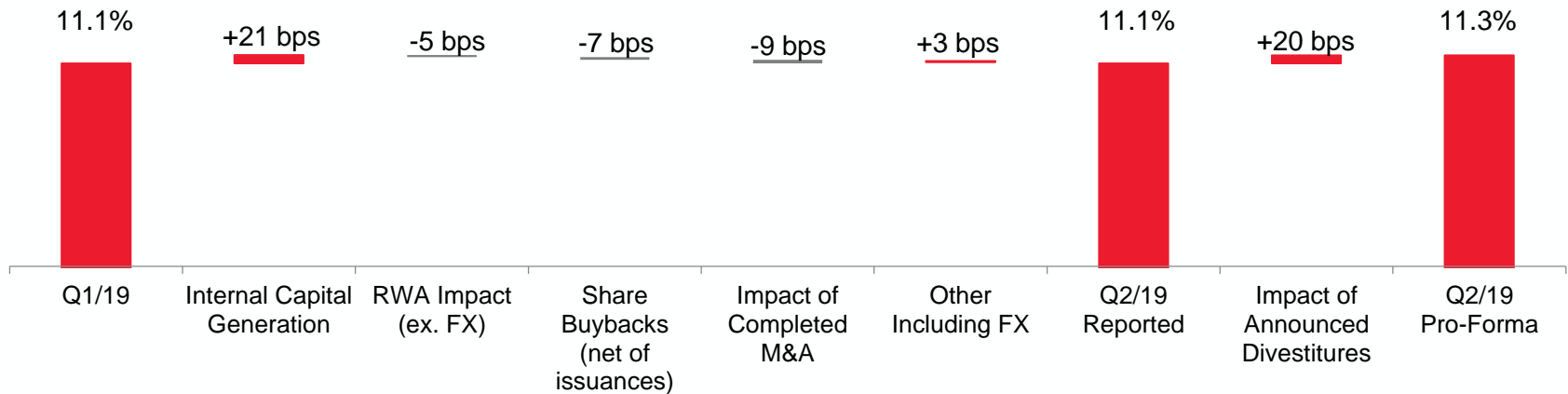


¹ Reflects adoption of IFRS in Fiscal 2011 ² Excludes notable items for years prior to 2016. For 2016 onwards, results adjusted for acquisition-related costs including Day 1 PCL impact on acquired performing loans, integration and amortization costs related to current acquisitions and amortization of intangibles related to current and past acquisitions. ³ As of April 30, 2019

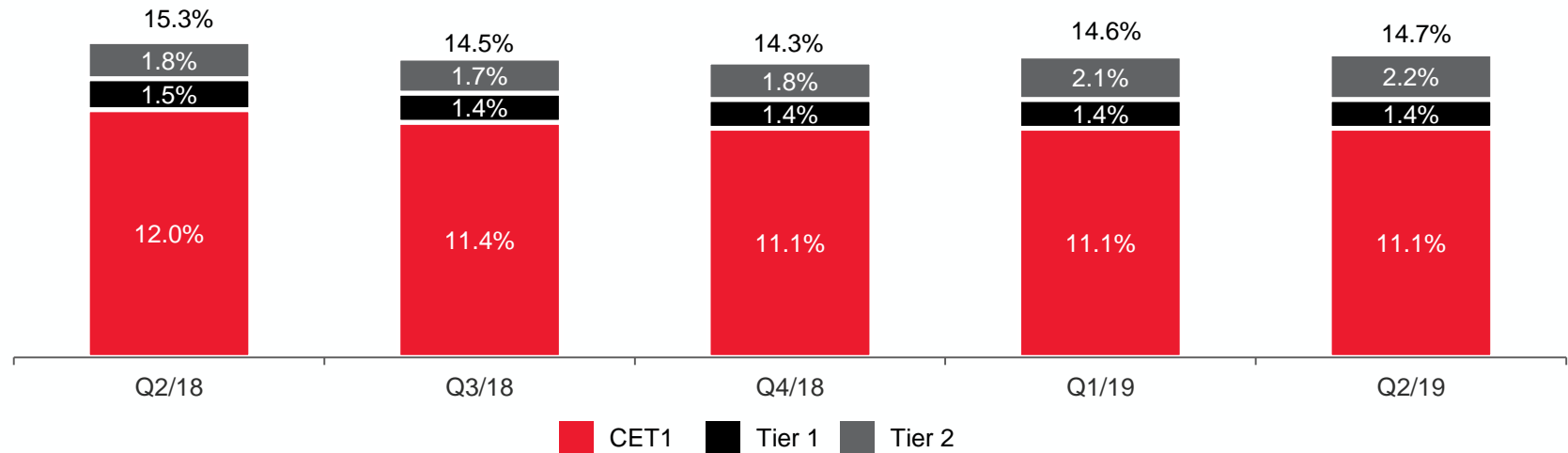
Strong Capital Generation and Position

Capital levels are well above minimum regulatory requirements. CET1 >11%.

CET1 Ratio

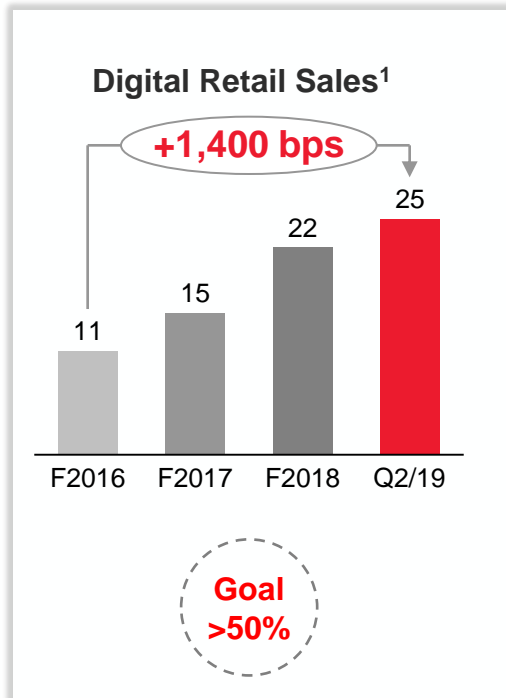


Strong Capital Levels

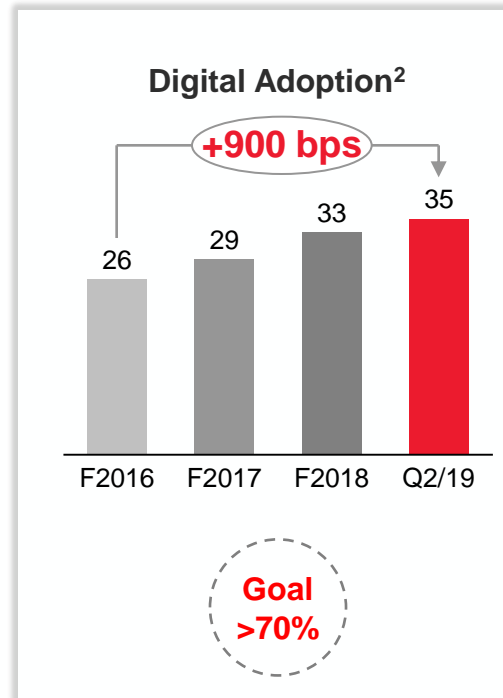


Progress in Digital Banking

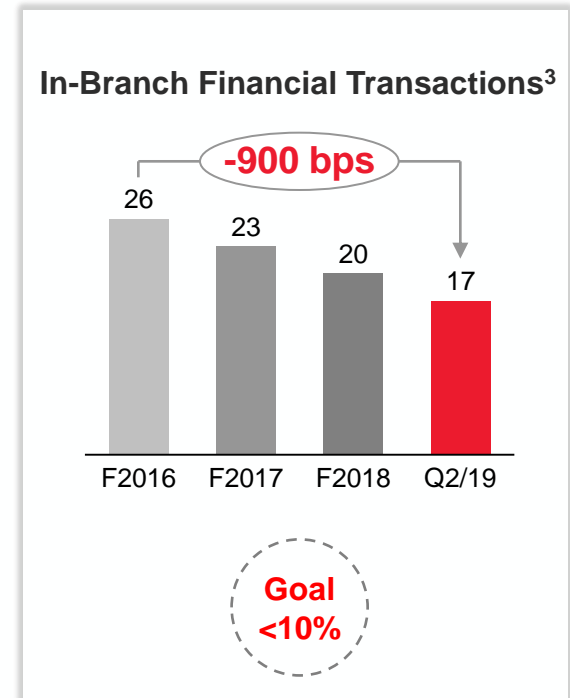
Progressing well against 2018 Investor Day digital targets



- Strong progress made in across key markets, especially in Colombia and Chile



- Adoption grew 400 bps since Q2/18



- In-branch transactions continued to decline at a steady pace

¹ Canada: F2017 22%, F2018 26%, Q2/19 25% PACs: F2017 13%, F2018 19%, Q2/19 25%

² Canada: F2017 36%, F2018 38%, Q2/19 40% PACs: F2017 20%, F2018 26%, Q2/19 28%

³ Canada: F2017 17%, F2018 15%, Q2/19 13% PACs: F2017 29%, F2018 24%, Q2/19 21%

Environmental, Social & Governance (ESG)



Environmental

- **\$8.5 billion** in loans and credit facilities to the renewable energy sector in 2018
- Established internal price on carbon, and on-track to achieve **greenhouse gas reduction target of 10% by 2021**
- Began integrating recommendations from the Task Force on Climate-related Financial Disclosures in 2018 and have reported to the CDP since 2004
- New approach to working at our head office in Toronto, Canada has **reduced square feet per employee by 40%**, and expected to reduce paper use by 86%



Social

- Launched the **Scotiabank Women Initiative** to advance women-led businesses through access to capital, education and mentorship
- **~35%** of VP+ roles and Executive positions held by women
- **\$250 million** committed over 10 years to help employees adapt to the digital economy
- Joint Lead Manager on \$1 Billion World Bank **Sustainable Development Bond** to support women and youth
- **900,000+ Canadian students** participated in "Talk With Our Kids About Money" day in 2018
- Employees volunteered **>370,000 hours** in 2018 to local causes
- **>\$80 million** donated to local communities in 2018 with **70%** directed towards helping young people in the community



Governance

- First financial institution in Canada to establish a **Corporate Governance Office** (2014), with a direct reporting line to the Chair of the Board
- Updated our Human Rights Statement in 2019, signed by our President and CEO
- Established an **independent Chair** in 2004
- Established term limits for directors in 2011
- Established a Board diversity policy in 2013. **38% of directors are female**

Environmental, Social & Governance (ESG)

- Member of the Dow Jones Sustainability North America Index
- Top 1% of global financial institutions for corporate governance (top 10% of banks overall)
- Top 100: 2019 *Bloomberg* Gender-Equality Index and *Thomson Reuters Diversity & Inclusion* Index
- One of the World's Best Workplaces in 2018 by *Great Place to Work*
- Scotia Global Asset Management is a signatory to the Principles for Responsible Investment



Appendix 1:

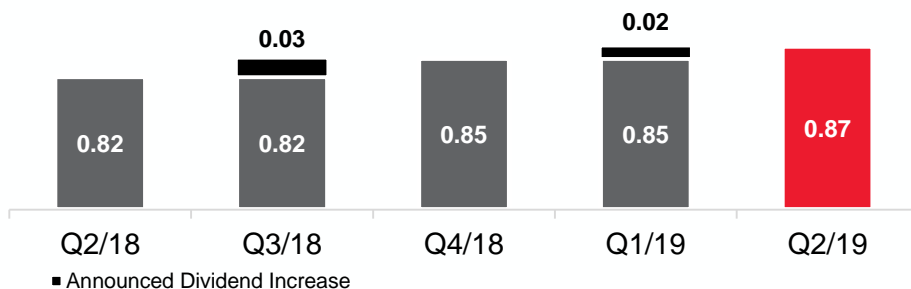
Business Line and Financial Overview

Financial Performance

Strong revenue and balance sheet growth

\$MM, except EPS	Q2/19	Y/Y	Q/Q
Reported			
Net Income	\$2,259	+4%	+1%
Diluted EPS	\$1.73	+2%	+1%
Revenue	\$7,803	+11%	+3%
Expenses	\$4,046	+9%	(3%)
Productivity Ratio	51.8%	(100bps)	(310bps)
Core Banking Margin	2.45%	(2bps)	-
PCL Ratio ¹	61bps	+19bps	+14bps
PCL Ratio on Impaired Loans ¹	49bps	+3bps	+2bps
Adjusted²			
Net Income	\$2,263	+3%	(1%)
Diluted EPS	\$1.70	(1%)	(3%)
Revenue	\$7,630	+8%	-
Expenses	\$3,993	+8%	(3%)
Productivity Ratio	52.3%	(20bps)	(180bps)
PCL Ratio ¹	51bps	+9bps	+4bps

DIVIDENDS PER COMMON SHARE



¹ Provision for credit losses on certain assets – loans, acceptances and off-balance sheet exposures

² Adjusted for Acquisition and divestiture-related amounts, including Day 1 PCLs, integration and amortization costs related to current acquisitions, amortization of intangibles related to current and past acquisitions and net gain on divestitures

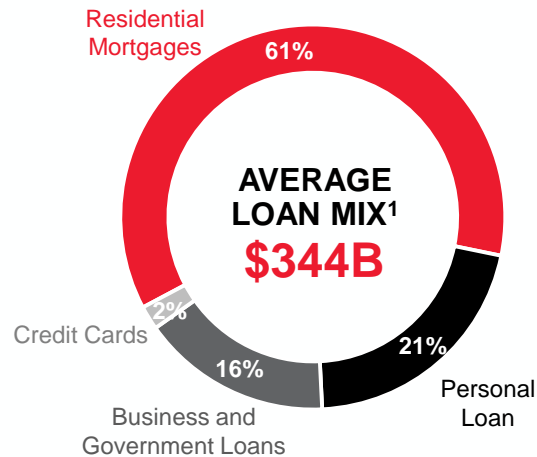
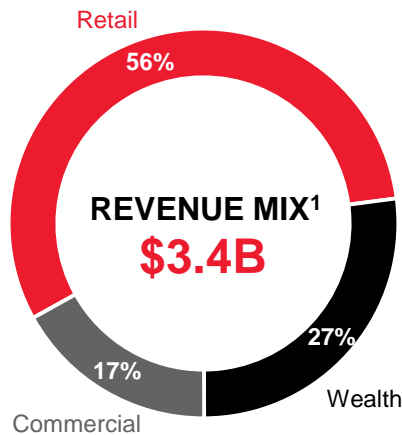
YEAR-OVER-YEAR HIGHLIGHTS

- **Adjusted Net Income up 3%²**
- **Revenue up 8%²**
 - Mostly relating to acquisitions
 - Net interest income up 6%
 - Non-interest income up 11%
- **Expenses up 8%²**
 - Mostly driven by acquisitions
 - Excluding acquisitions and the impact of IFRS15, expenses were up 1% Y/Y
 - Expenses were down 3% Q/Q
- **PCL ratio on impaired loans¹ up 3 bps**
 - In-line with 30-year historical average

Canadian Banking

Top 3 bank in personal & commercial banking, wealth and insurance in Canada

- Canadian Banking** provides a full suite of financial advice and banking solutions, supported by an excellent customer experience, to Retail, Small Business, Commercial Banking, and Wealth Management customers



MEDIUM-TERM FINANCIAL OBJECTIVES

	Target ²	2019 YTD ^{3,4,5}
Net Income Growth ⁶	7%+	+1%
Productivity Ratio	<49%	50.0%
<i>CB ex Wealth</i>	<45%	45.9%
<i>Wealth</i>	<65%	62.7%

STRATEGIC OUTLOOK

- Improve productivity** towards our <49% productivity ratio target (<45% ex Wealth) by 2020 supported by positive operating leverage
- Integration of our recent acquisitions in Wealth:** MD Financial Management (\$49B AUM) and Jarislowsky Fraser (\$40B AUM)
- Leverage data analytics** for prudent growth in higher margin credit card and small business banking
- Increase core deposits;** and primary customers

¹ For the three months ended April 30, 2019; ² 3-5 year target; ³ Adjusted for Acquisition-related costs, including integration and amortization costs related to current acquisitions, and amortization of intangibles related to current and past acquisitions; ⁴ Reflects adoption of new accounting standard, IFRS 15; ⁵ For the six months ended April 30, 2019; ⁶ Attributable to equity holders of the Bank

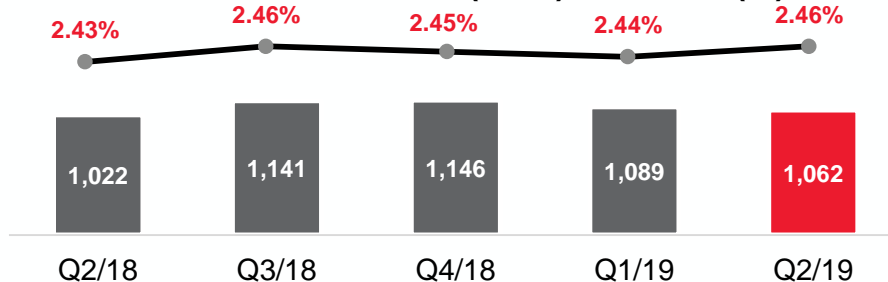
Canadian Banking Financial Performance

Strong deposit growth, higher NIM and good expense management

FINANCIAL PERFORMANCE AND METRICS (\$MM)¹

	Q2/19	Y/Y	Q/Q
Reported			
Revenue	\$3,380	+5%	(1%)
Expenses	\$1,711	+4%	(1%)
PCLs	\$252	+23%	+8%
Net Income	\$1,048	+3%	(2%)
Productivity Ratio	50.6%	(20bps)	-
Net Interest Margin	2.46%	+3bps	+2bps
PCL Ratio ²	0.30%	+5bps	+3bps
PCL Ratio on Impaired Loans ²	0.28%	+3bps	+1bp
Adjusted³			
Expenses	\$1,691	+3%	(1%)
Net Income	\$1,062	+4%	(2%)
Productivity Ratio	50.0%	(60bps)	-

ADJUSTED NET INCOME^{1,3} (\$MM) AND NIM (%)



¹ Attributable to equity holders of the Bank

² Provision for credit losses on certain assets – loans, acceptances and off-balance sheet exposures

³ Adjusted for Acquisition-related costs, including integration and amortization costs related to current acquisitions, and amortization of intangibles related to current and past acquisitions

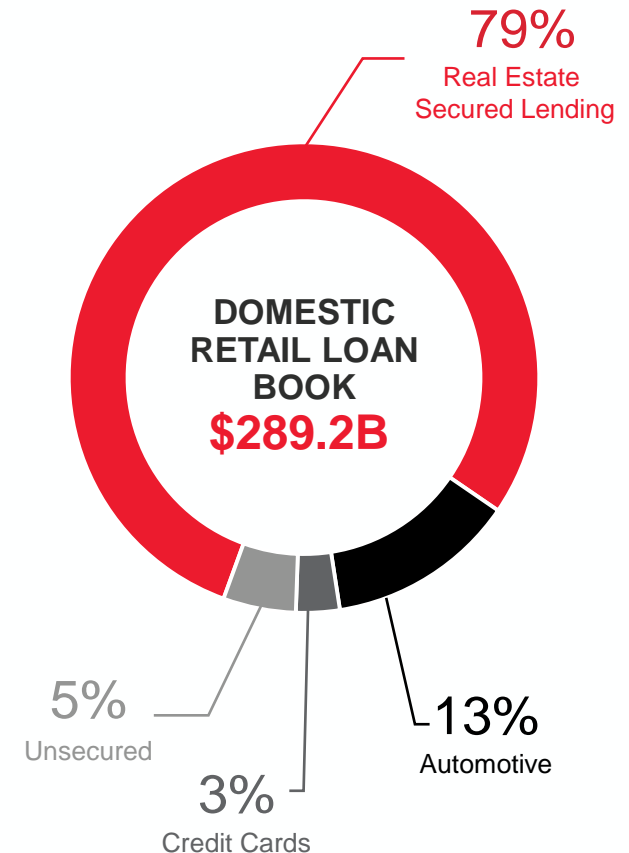
YEAR-OVER-YEAR HIGHLIGHTS

- **Adjusted Net Income up 4%³**
 - Margin expansion
 - Lower real estate gains and last year's benefit from alignment of insurance reporting reduced net income growth by 4%
 - Higher PCLs primarily from unsecured lending and auto loans and impact of less favourable forward looking macro-economic inputs
- **Revenue up 5%**
 - Net interest income up 4%
- **Loan growth of 3%**
 - Residential mortgages up 2%; credit cards up 6%
 - Business loans up 9%
- **Deposit growth of 11%**
 - Personal up 8%; Non-Personal up 15%
- **NIM up 3 bps**
 - Primarily driven by deposit growth
- **Expenses up 3%³**
 - Investments in technology and regulatory initiatives
 - Excluding M&A and IFRS15, expenses were flat
- **Quarterly operating leverage of +1.1%³**
- **PCL ratio² up 5 bps to 30 bps**

Canadian Banking: Retail Exposures

High quality retail loan portfolio: ~92% secured

- **Residential mortgage portfolio is high quality**
 - 42% insured, and the remaining 58% uninsured has a LTV of 55%¹
- **Market leader in auto loans**
 - \$37 billion auto loan portfolio with 7 OEM relationships (3 exclusive)
 - Prime Auto and Leases (~91%)
 - Lending tenor has been relatively stable with contractual terms for new originations averaging 77 months (6.4 years) with projected effective terms of 53 months (4.4 years)
- **Growth opportunity in credit cards**
 - \$7.5 billion credit card portfolio represents ~3% of domestic retail loan book and 1.3% of the Bank's total loan book
 - Organic growth strategy focused on payments and deepening customer relationships
 - Upside potential from existing customers: ~80% of growth is from existing customers (penetration rate mid-30s and trending up versus peers in the low-40s)
 - Strong risk management culture with specialized credit card teams, customer analytics and collections focus



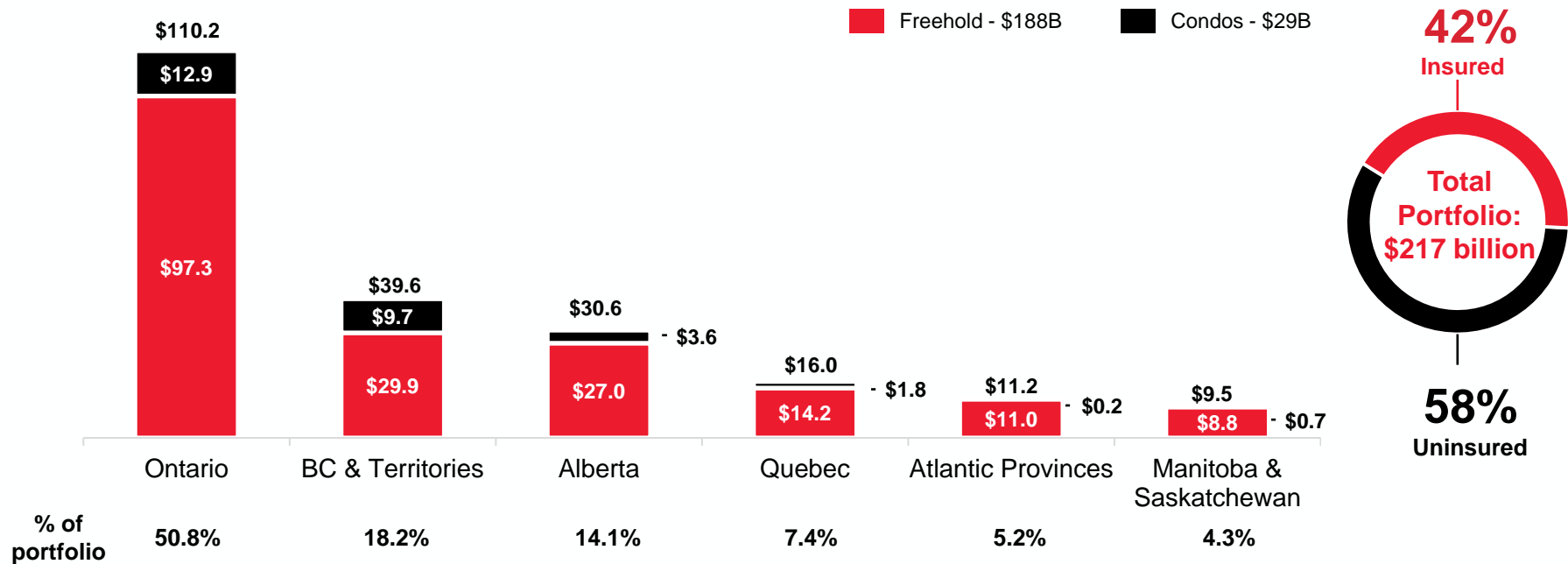
¹ LTV calculated based on the total outstanding balance secured by the property. Property values indexed using Teranet HPI data.

Canadian Banking: Residential Mortgages

High quality, diversified portfolio

- **Residential mortgage portfolio of \$217 billion: 42% insured; LTV 55% on the uninsured book¹**
 - Mortgage business model is “originate to hold”
 - New originations² in Q2/19 had average LTV of 64.5%
 - Majority is freehold properties; condominiums represent approximately 13% of the portfolio
- **Three distinct distribution channels: All adjudicated under the same standards**
 - 1. Broker (~59%); 2. Branch (~18%); and 3. Mobile Salesforce (~23%)

CANADIAN MORTGAGE PORTFOLIO: \$217B (SPOT BALANCES AS AT Q2/19, \$B)



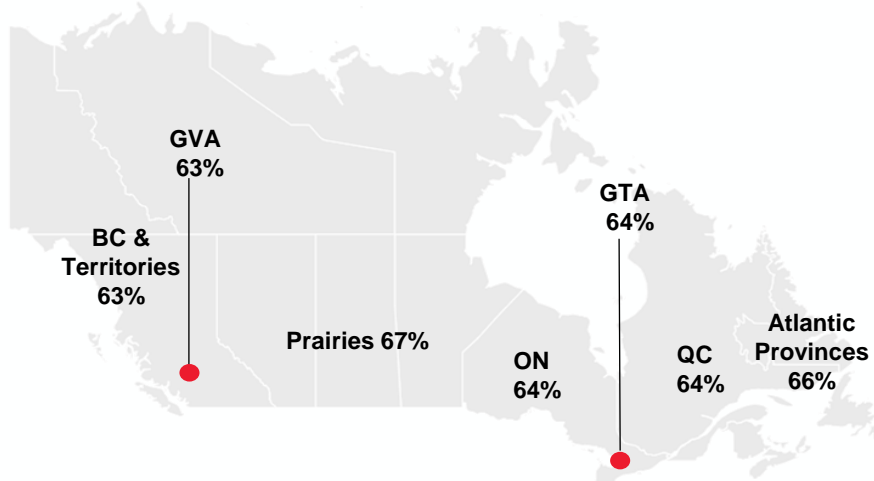
¹ LTV calculated based on the total outstanding balance secured by the property. Property values indexed using Teranet HPI data

² New originations defined as newly originated uninsured residential mortgages and have equity lines of credit, which include mortgages for purchases refinances with a request for additional funds and transfer from other financial institutions

Canadian Banking: Residential Mortgages (continued)

High quality portfolio, lower originations in Vancouver and Toronto

NEW ORIGINATIONS UNINSURED LTV* DISTRIBUTION



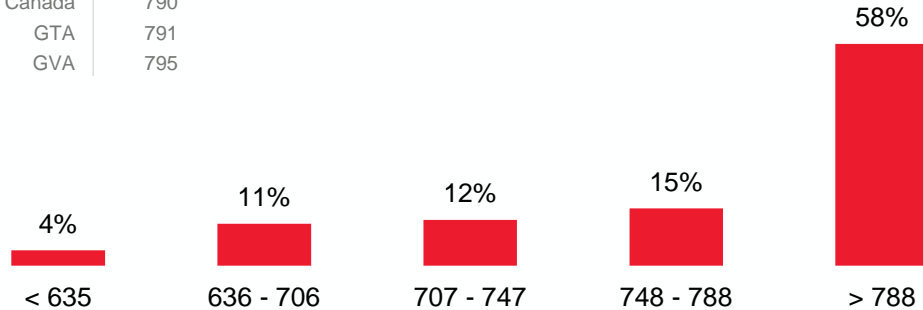
	Q2/18	Q1/19	Q2/19
Canada			
Total Originations (\$B)	8.9	9.3	7.1
Uninsured LTV	63%	64%	64%
GTA			
Total Originations (\$B)	2.8	3.2	2.3
Uninsured LTV	62%	63%	64%
GVA			
Total Originations (\$B)	1.2	1.0	0.9
Uninsured LTV	59%	59%	63%

*Average LTV ratios for our uninsured residential mortgages originated during the quarter

FICO® DISTRIBUTION – CANADIAN UNINSURED PORTFOLIO¹

Average FICO® Score

Canada	790
GTA	791
GVA	795



- Only <0.72% of uninsured portfolio has a FICO® score of <620 and an LTV >65%
- Canadian uninsured mortgage portfolio is \$126 billion as at Q2/2019

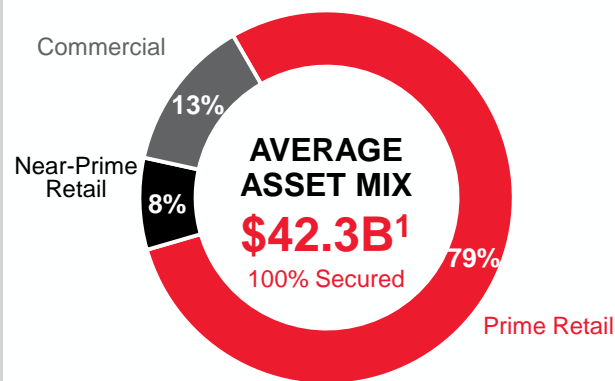
FICO is a registered trademark of Fair Isaac Corporation

¹ FICO® distribution for Canadian uninsured portfolio based on score ranges at origination

Automotive Finance

Canada's leader in automotive finance

- Provide personal and commercial dealer financing solutions, in partnership with seven leading global automotive manufacturers in Canada
- Portfolio grew 2%¹ year-over-year
 - Personal up 3%, Commercial down 4%



Exclusive Relationships

MAZDA

VOLVO

JAGUAR/LAND ROVER

Semi-Exclusive Relationships*

HYUNDAI

CHRYSLER

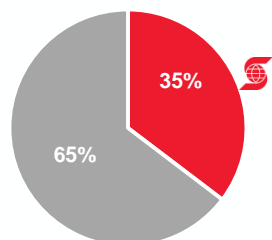
GM

TESLA

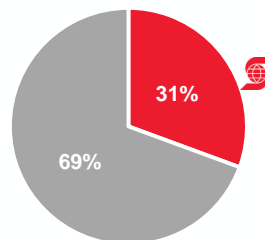
* 1 to 2 other financial institutions comprise Semi-Exclusive relationships

Market Share²

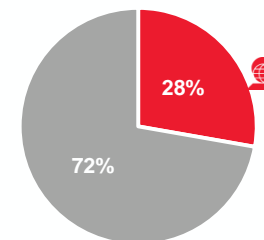
Prime Retail Market Share³



Near-Prime Retail Market Share⁴



Commercial Floorplan Market Share⁵



¹ For the three months ended April 30, 2019; ² Data as at Dec 2018; ³ CBA data, includes BMO, CIBC, HSBC, National Bank, RBC, Scotiabank, TD; ⁴ DealerTrack Portal data, includes all Near-Prime Retail providers on DealerTrack Portal;

⁵ Includes BMO, CIBC, RBC, Scotiabank, TD, HSBC, Canadian Western Bank, Laurentian Bank

Tangerine

Canada's #1 Digital Bank



- 2.3 million customers
- Industry-leading customer service (NPS)
- <7-minute account sign-up
- 97% digital transactions
- 96% digital onboarding
- 90% digital sales

STRATEGIC FOCUS:

► Simplicity

- Simple, market-leading products that appeal to value-conscious and tech-savvy Canadians
- Seamless digital client experience
- Highly competitive rates, simple products

► Velocity

- Enhanced self-service options, adding speed & agility
- Nimble, modern platform supporting rapid development cycles
- Low cost, scalable business model

► Partnerships

- Accelerating momentum through the *Toronto Raptors*
- Deepening client relationships by introducing *SCENE Loyalty*
- Strong partnership with Scotiabank

Modern Platform



Scalable:

Nimble, low cost systems provide a holistic client view.

Speed & Agility



Rapid Deployments:

Agile best practices enable quick & efficient new product & feature delivery.

Client-Driven Innovation



Incubator:

Identify, explore, and pilot new technologies and solutions to meet evolving Client needs.

Unique 'Orange' Culture



Team Tangerine:

Our unique culture and lean team are an essential part of how we deliver.

Award Winning Approach



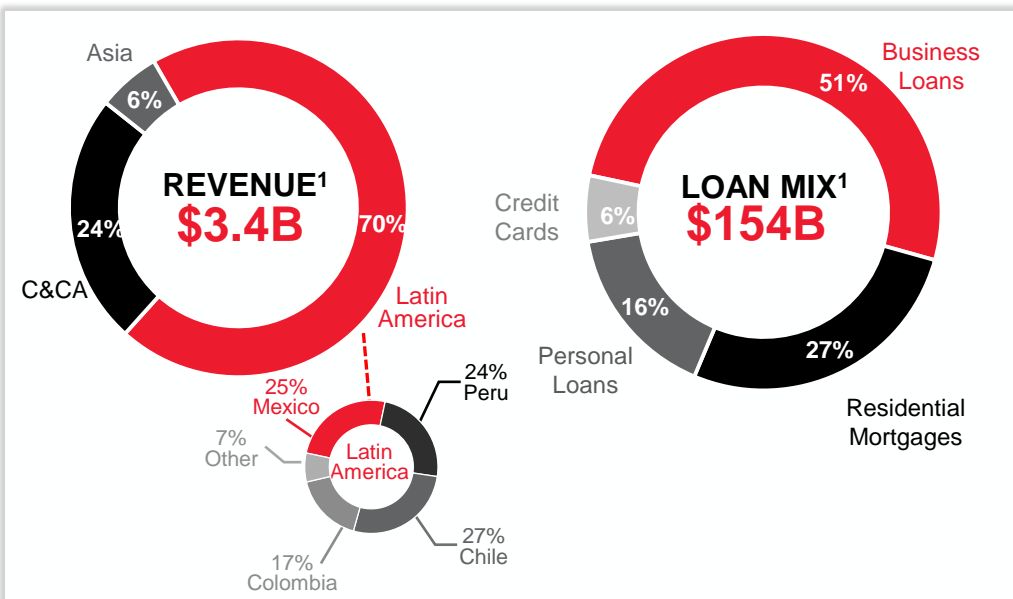
Third-Party Recognition:

J.D. Power Customer Satisfaction seven years in a row, Finovate "Best in Class" for digital experiences.

International Banking

Leading diversified personal and commercial franchise in high quality growth markets

- **International Banking** operates primarily in Latin America, the Caribbean and Central America with a full range of personal and commercial financial services, as well as wealth products and solutions



► MEDIUM-TERM FINANCIAL OBJECTIVES

	Target ²	2019 YTD ^{3,4,5}
Net Income Growth ⁶	9%+	16%
Productivity Ratio	<51%	50.5%
Operating Leverage	Positive	+4.6%

STRATEGIC OUTLOOK

- **Integration of acquisitions** in Chile, Colombia, Peru and Dominican Republic
- **Closing of dispositions** of non-core operations in smaller Caribbean markets, and El Salvador
- **Margins (NIM ~450 bps) and credit quality** are expected to remain stable
- **Positive operating leverage for 18 consecutive quarters**

¹ For the 3 months ended April 30, 2019; ² 3-5 year target; ³ Adjusted for Acquisition-related costs, including Day 1 PCL impact on acquired performing loans, integration and amortization costs related to current acquisitions, and amortization of intangible related to current and past acquisitions; ⁴ Y/Y growth rates (%) are on a constant \$ basis; ⁵ For the six months ended April 30, 2019; ⁶ Attributable to equity holders of the Bank

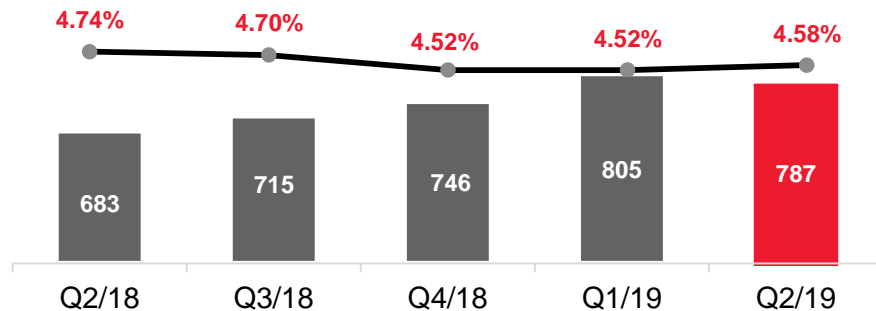
International Banking Financial Performance

Strong performance across the Pacific Alliance

FINANCIAL PERFORMANCE AND METRICS (\$MM)^{1, 2}

	Q2/19	Y/Y	Q/Q
Reported			
Revenue	\$3,356	+22%	(1%)
Expenses	\$1,710	+19%	(3%)
PCLs	\$628	+87%	31%
Net Income	\$700	+2%	(13%)
Productivity Ratio	51.0%	(150bps)	(130bps)
Net Interest Margin	4.58%	(16bps)	+6bps
PCL Ratio ³	1.71%	+49bps	+43bps
PCL Ratio on Impaired Loans ³	1.29%	(9bps)	+6bps
Adjusted⁵			
Expenses	\$1,677	+18%	(3%)
PCLs	\$477	+42%	0%
Net Income	\$787	+14%	(5%)
Productivity Ratio	50.0%	(210bps)	(110bps)
PCL Ratio ³	1.30%	+8bps	+2bps

ADJUSTED NET INCOME^{1,5} (\$MM) AND NIM⁴ (%)



¹ Attributable to equity holders of the Bank

² Y/Y and Q/Q growth rates (%) are on a constant dollars basis, while metrics and change in bps are on a reported basis

³ Provision for credit losses on certain assets – loans, acceptances and off-balance sheet exposures

⁴ Net Interest Margin is on a reported basis

⁵ Adjusted for Acquisition-related costs, including Day 1 PCL impact on acquired performing loans, integration and amortization costs related to current acquisitions, and amortization of intangibles related to current and past acquisitions

YEAR-OVER-YEAR HIGHLIGHTS²

- **Adjusted Net Income up 14%⁵**
 - Strong loan growth across the Pacific Alliance
- **Revenues up 22%**
 - Pacific Alliance up 28%, includes impact of acquisitions
- **Loans up 29%**
 - Pacific Alliance up 42% includes impact of Chile, Colombia and Peru acquisitions
- **NIM down 16 bps**
 - Primarily driven by the business mix impact of acquisitions (BBVA Chile)
 - NIM up 6 bps Q/Q
- **Expenses up 18%⁵**
 - Includes impact of acquisitions
 - Business volume growth and inflation
 - Productivity ratio improvement of 210 bps⁵
- **Quarterly operating leverage of +5.0%⁵**
- **PCL ratio on impaired loans³ improved 9 bps**
- **Strong growth in digital sales**

Scotiabank in the Pacific Alliance Countries

Well positioned in high quality, growth markets

PAC Highlights

- 230 million people¹, median age of 29²
- 9th largest economy in the world¹
- Banking penetration <50%¹
- Sovereign ratings all “Investment Grade”³
- 64% of exports related to manufacturing⁴
- Largest trading partner is the United States⁴

Scotiabank in the PAC

- Only global bank present in all PAC countries
- Top 3 bank in Chile and Peru
- 28-year operating history (average)
- 2018 “Bank of the Year”, *Latin Finance*

Scotiabank Market Share⁵

Market Share Ranking⁵

Strengths

Average Total Loans⁶(C\$B)

Revenue⁷(C\$B)

Net Income after NCI^{7,8}(C\$MM)

ROE^{6,8}

of Employees^{9,10}

				
	Mexico	Peru	Chile	Colombia
Market Share	7.4%	17.8%	14.1%	6.1%
Market Share Ranking	6th	3rd	3rd	5th
Strengths	Auto and Mortgages	P&C and Mortgages	Credit Cards, Mortgages	Credit Cards, Personal
Average Total Loans ⁶ (C\$B)	\$29.3	\$21.0	\$48.0	\$12.6
Revenue ⁷ (C\$B)	\$2.3	\$2.2	\$2.2	\$1.5
Net Income after NCI ^{7,8} (C\$MM)	\$644	\$750	\$507	\$122
ROE ^{6,8}	20%	24%	9%	8%
# of Employees ^{9,10}	13,024	11,471	9,146	8,884

¹ Source: World Bank 2017

² Source: The World Factbook, CIA 2017

³ Sovereign ratings from Moody's, S&P, and Fitch; Source: Bloomberg

⁴ Source: United Nations Conference on Trade and Development (UNCTAD) 2017; Organization for Economic Co-operation and Development (OECD) 2016

⁵ Ranking based on publicly traded banks by total loans market share as of March, 2019, inc. M&A

⁶ For the three months ended April 30, 2019

⁷ For the trailing 12 months ended April 30, 2019 not adjusted for currency

⁸ Earnings adjusted for acquisition –related costs including integration and amortization costs related to current acquisitions, and amortization of intangibles related to current and past acquisitions

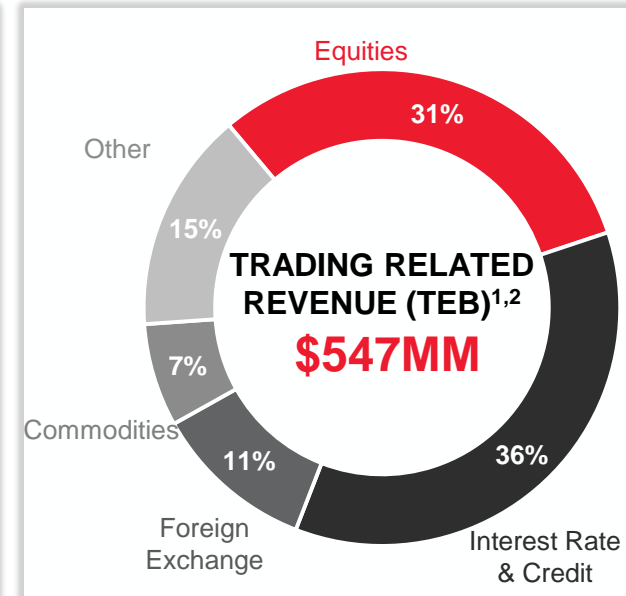
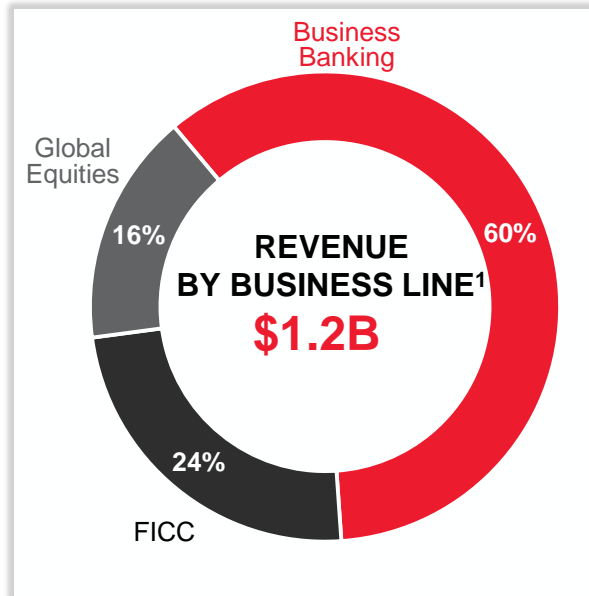
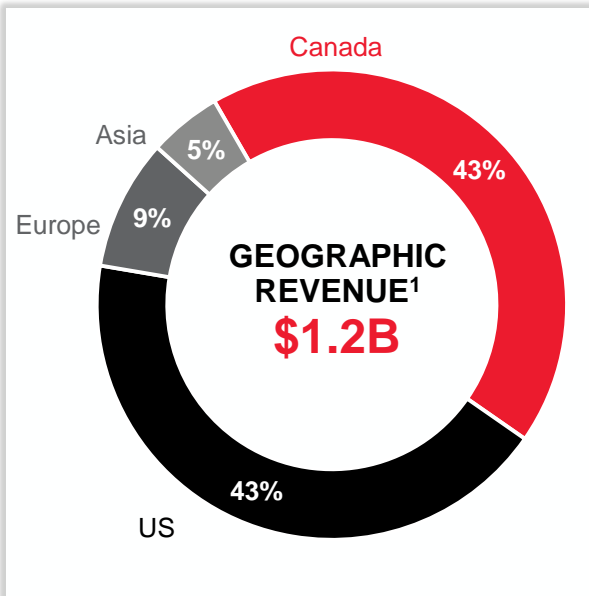
⁹ Employees are reported on a full-time equivalent basis

¹⁰ As of April 30, 2019

Global Banking and Markets

Second-largest Canadian wholesale banking and capital markets business serving global clients

- **Full-service wholesale bank** in Canada, the United States and Latin America. Offers a range of products and services in select markets in Europe, Asia and Australia.



STRATEGIC OUTLOOK

- Up-tiering lending relationships, expanding our Investment Banking capabilities in key markets, increasing our investment in the Pacific Alliance to become a leader in local and cross-border banking and capital markets
- Continued strong growth in deposits, improved corporate lending and investment banking results to absorb required regulatory and technology investments

¹ For the 3 months ended April 30, 2019; ² All-Bank trading-related revenue

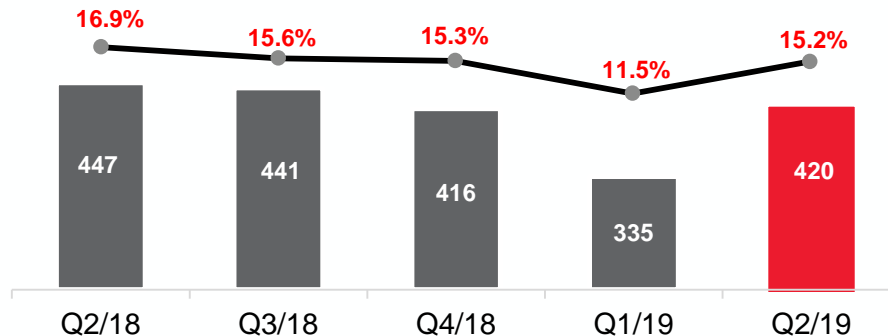
Global Banking and Markets Financial Performance

Recovery versus Q1 from higher revenue and better expense management

FINANCIAL PERFORMANCE AND METRICS¹ (\$MM)

	Q2/19	Y/Y	Q/Q
Revenue	\$1,151	-	+7%
Expenses	\$594	+5%	(8%)
PCLs	(\$6)	N/A	N/A
Net Income	\$420	(6%)	+25%
Productivity Ratio	51.6%	+270bps	(840bps)
Net Interest Margin	1.70%	(10bps)	(10bps)
PCL Ratio ²	(0.02%)	+3bps	+5bps
PCL Ratio on Impaired Loans ²	(0.02%)	(4bps)	(1bp)

NET INCOME¹ AND ROE



YEAR-OVER-YEAR HIGHLIGHTS

- **Reported Net Income down 6% Y/Y, up 25% Q/Q**
- **Revenue flat**
 - Net interest income down 3% due to lower deposit margins partly offset by higher loan volumes
 - Non-Interest income up 1% from higher fixed income trading, underwriting and credit fees, partly offset by lower equity trading revenues
- **NIM down 10 bps**
 - Mainly driven by lower deposit margins
- **Loans up 16%**
 - Strong corporate growth across the U.S. and Canada
- **Expenses up 5%**
 - Higher regulatory and technology investments, partly offset by lower performance-related compensation
- **PCL ratio² continues to be a recovery**

¹ Attributable to equity holders of the Bank

² Provision for credit losses on certain assets – loans, acceptances and off-balance sheet exposures

Credit Performance by Business Lines

Credit fundamentals remain strong

	Q2/18		Q3/18		Q4/18		Q1/19		Q2/19		
(As a % of Average Net Loans & Acceptances)	PCLs on Impaired Loans	Total PCLs	PCLs on Impaired Loans	Total PCLs (adj.)	PCLs on Impaired Loans	Total PCLs	PCLs on Impaired Loans	Total PCLs	PCLs on Impaired Loans	Total PCLs	Total PCLs (adj.)
Canadian Banking											
Retail	0.28	0.28	0.25	0.24	0.25	0.25	0.28	0.28	0.31	0.35	0.35
Commercial	0.09	0.09	(0.04)	0.06	0.06	0.15	0.21	0.23 ¹	0.09	0.06 ¹	0.06 ¹
Total	0.25	0.25	0.21	0.21	0.22	0.23	0.27	0.27 ¹	0.28	0.30 ¹	0.30 ¹
International Banking											
Retail	2.26	2.16	2.36	2.25 ²	2.38	2.21	2.33	2.36	2.36	3.18 ³	2.35 ²
Commercial	0.55	0.34 ¹	0.38	0.31 ²	0.07	(0.06) ¹	0.19	0.26 ¹	0.27	0.31 ^{1, 3}	0.30 ^{1, 2}
Total	1.38	1.22 ¹	1.33	1.23 ²	1.20	1.05 ¹	1.23	1.28 ¹	1.29	1.71 ^{1, 3}	1.30 ^{1, 2}
Global Banking and Markets	0.02	(0.05)	(0.06)	(0.05)	(0.07)	(0.09) ¹	(0.01)	(0.07)	(0.02)	(0.02)	(0.02)
All Bank	0.46	0.42	0.41	0.40	0.42	0.39	0.47	0.47	0.49	0.61	0.51

¹ Excludes provision for credit losses on debt securities and deposit with banks

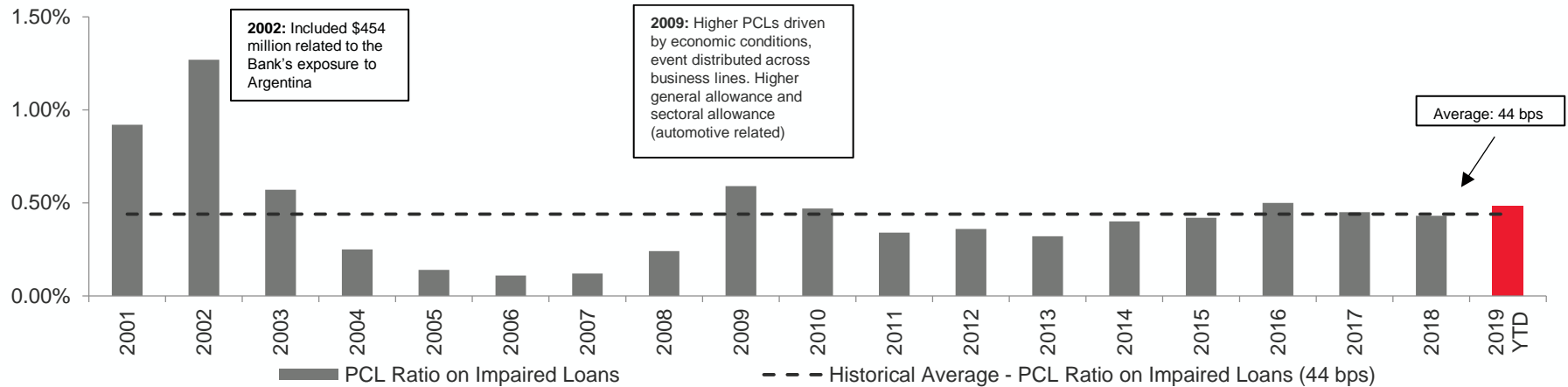
² On an adjusted basis; adjusted for Day 1 PCLs from acquisitions

³ On a reported basis; includes impact of Day 1 PCLs from acquisitions

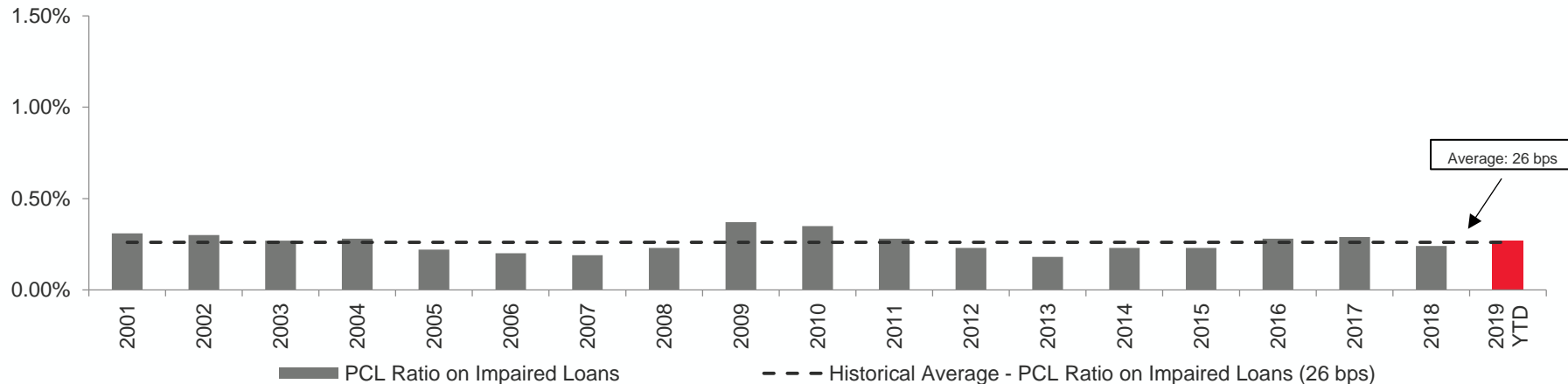
Historical PCL Ratios on Impaired Loans

Credit fundamentals remain strong; PCLs on impaired loans in line with long-term average

ALL BANK HISTORICAL PCL RATIO ON IMPAIRED LOANS¹



CANADIAN BANKING HISTORICAL PCL RATIO ON IMPAIRED LOANS¹



¹ Provision for credit losses on certain assets – loans, acceptances and off-balance sheet exposures



Treasury and Funding

Funding Strategy

Flexible, well-balanced and diversified funding sources

Funding Strategy

- **Build customer deposits in all of our key markets**
- **Continue to reduce wholesale funding (WSF) while focusing on TLAC eligible debt**
- **Achieve appropriate balance between efficiency and stability of funding including maintaining pricing relative to peers**
- **Diversify funding by type, currency, program, tenor and markets**
- **Pre-fund one quarter ahead, market permitting**
- **Centralized funding strategy and associated risk management**

• **SHORT-TERM FUNDING**

- USD 25 billion Bank CP program
- USD 3 billion Subsidiary CP program
- CD Programs (Yankee/USD, EUR, GBP, AUD, HKD)

• **TERM FUNDING & CAPITAL**

Canadian Dollar

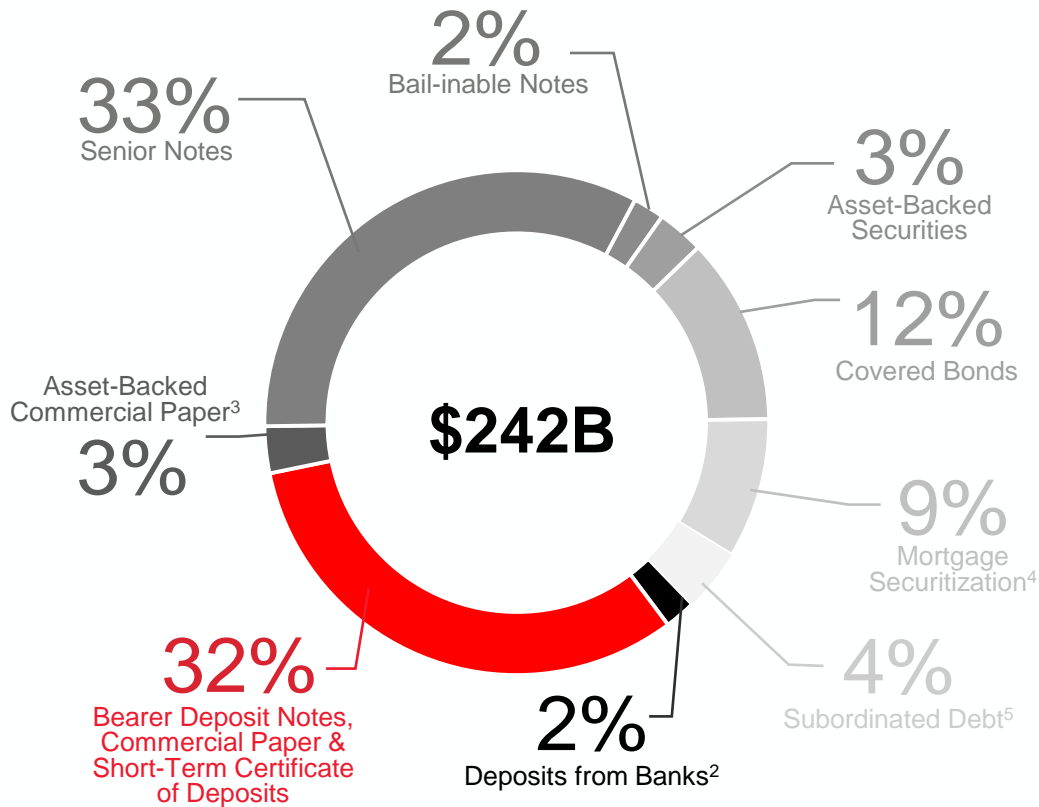
- CAD 36 billion Global Registered Covered Bond Program (uninsured Canadian mortgages)
- Canada Mortgage Bonds and Mortgage Backed Securities
- CAD 15 billion debt & equity shelf (senior/sub debt, prefs, common shares)
- CAD 15 billion START ABS program (indirect auto loans)
- CAD 7 billion Halifax ABS shelf (unsecured lines of credit)
- CAD 6 billion Principal at Risk (PAR) Note shelf
- CAD 5 billion Trillium ABS shelf (credit cards)

Foreign Currency

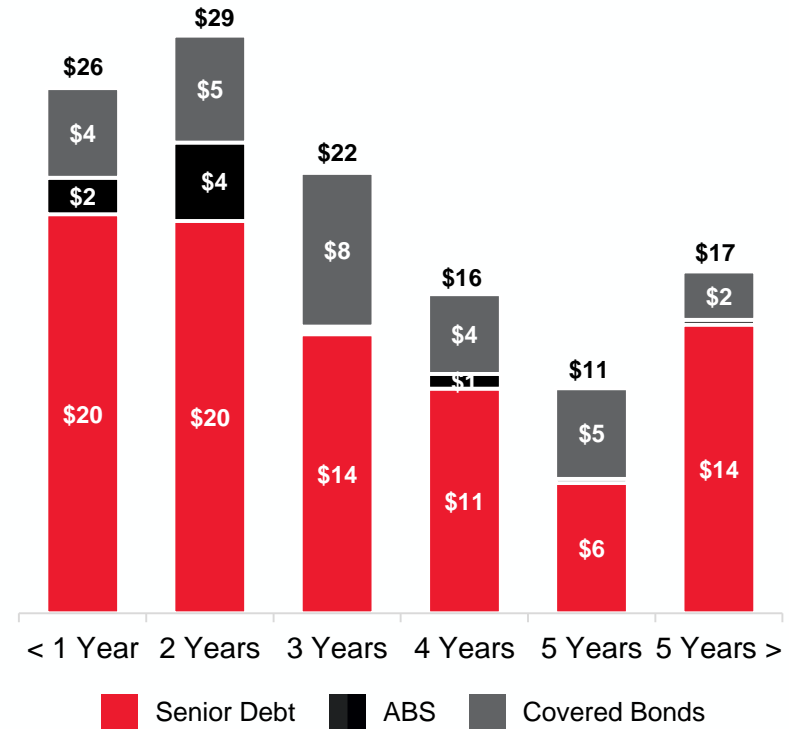
- USD 40 billion debt & equity shelf (senior/sub debt, preferreds, common shares)
- USD 20 billion EMTN shelf
- AUD 8 billion Australian MTN program
- USD 7.5 billion Singapore MTN program

Wholesale Funding

Wholesale funding diversity by instrument and maturity^{1,6,7}



MATURITY TABLE (EX-SUB DEBT)
(CANADIAN DOLLAR EQUIVALENT, \$B)



¹ Excludes repo transactions and bankers acceptances, which are disclosed in the contractual maturities table in the MD&A of the Interim Consolidated Financial Statements. Amounts are based on remaining term to maturity.

² Only includes commercial bank deposits raised by Group Treasury.

³ Excludes asset-backed commercial paper (ABCP) issued by certain ABCP conduits that are not consolidated for financial reporting purposes.

⁴ Represents residential mortgages funded through Canadian Federal Government agency sponsored programs. Funding accessed through such programs does not impact the funding capacity of the Bank in its own name.

⁵ Although subordinated debentures are a component of regulatory capital, they are included in this table in accordance with EDTF recommended disclosures.

⁶ As per Wholesale Funding Sources Table in MD&A, as of Q2/19.

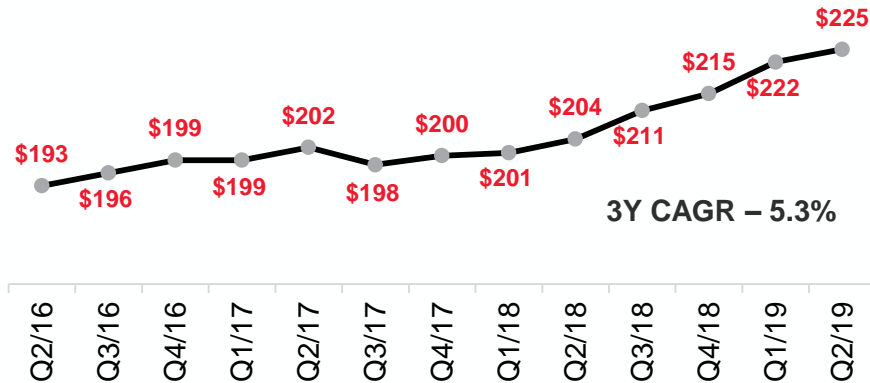
⁷ May not add to 100% due to rounding.

Deposit Overview

Stable trend in personal & business and government deposits

PERSONAL DEPOSITS

(SPOT, CANADIAN DOLLAR EQUIVALENT, \$B)

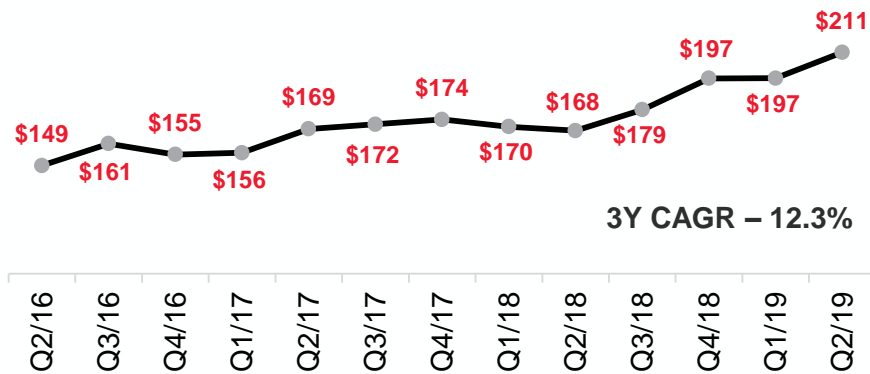


PERSONAL DEPOSITS

- Important for both relationship purposes and regulatory value
- Good momentum with 5.3% CAGR over the last 3 years

BUSINESS & GOVERNMENT DEPOSITS¹

(SPOT, CANADIAN DOLLAR EQUIVALENT, \$B)



BUSINESS & GOVERNMENT

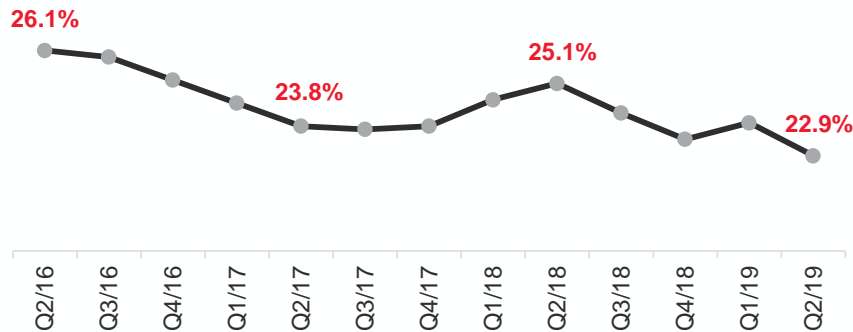
- Gaining share of deposits through leveraging of relationships
- 12.3% CAGR over the last 3 years
- Focusing on operational, regulatory friendly deposits

¹ Calculated as Bus & Gov't deposits less Wholesale Funding, adjusted for Sub Debt

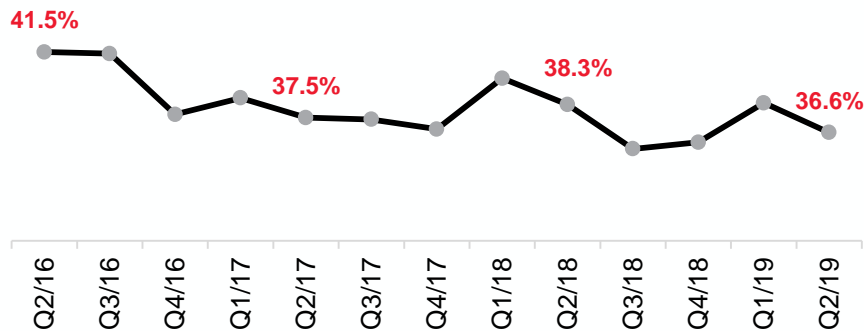
Wholesale Funding Utilization

Managing reliance on wholesale funding and growing deposits

WHOLESALE FUNDING / TOTAL ASSETS



MONEY MARKET WHOLESALE FUNDING / TOTAL WHOLESALE FUNDING



▶ REDUCED RELIANCE ON WHOLESALE FUNDING

- **Operating in line with peers**
 - Reduced reliance on wholesale funding
 - Sustained focus on deposits as an alternate to wholesale funding

▶ FOCUS ON TERM FUNDING

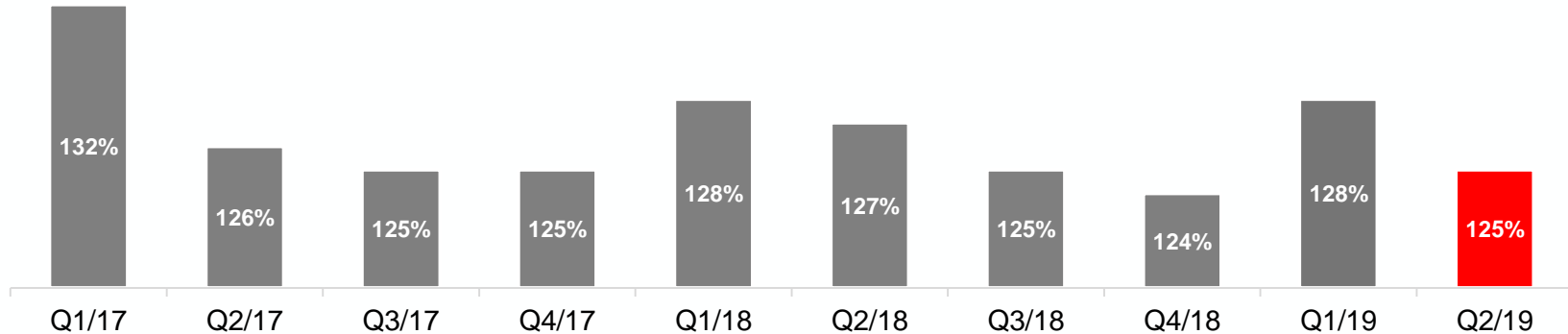
- **Reduced reliance on money market funding**

Liquidity Metrics

Well funded Bank with strong liquidity

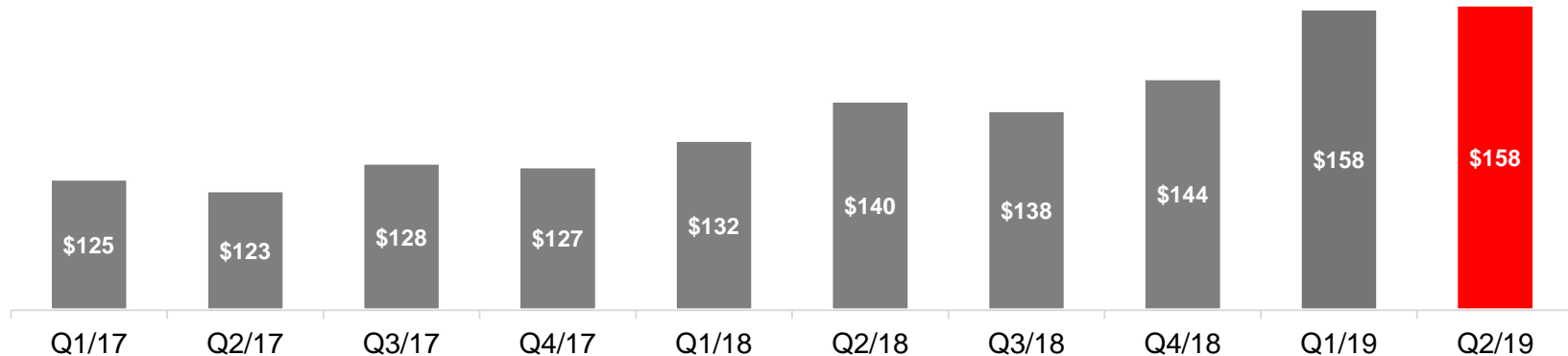
- **Liquidity Coverage Ratio (LCR)**

- Stable and sound management of liquidity
- Net Stable Funding Ratio (NSFR) implementation date is January 2020



- **High Quality Liquid Assets (HQLA)**

- Efficiently managing LCR and optimizing HQLA



The background of the slide features a technical drawing or blueprint. The top portion is a solid red band. Below this, the background is white with faint, light gray technical sketches. These sketches include various geometric shapes like circles, arcs, and lines, some of which are filled with diagonal hatching. The overall aesthetic is that of a professional engineering or architectural drawing.

Appendix 1:

Key Market Profiles

Canadian Economy and Financial System

Stable economy with sound financial system

► CANADIAN ECONOMY

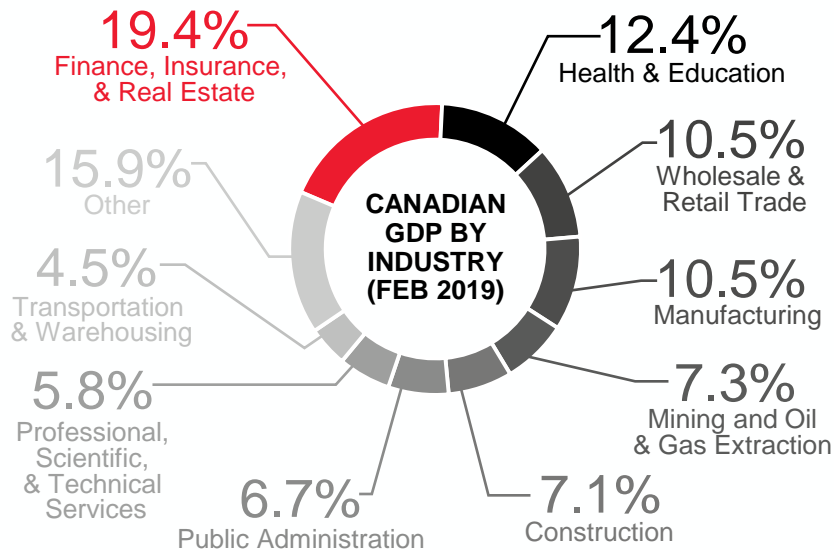
- The 10th largest economy in the world, with an outward orientation
- Economy diversified, with particular strength in services, primary industries, manufacturing, construction, and utility sectors
- Proactive government and central bank that have begun unwinding exceptionally accommodative monetary policy
- Manageable government deficits and debt burdens
- Strong growth outlook, with firm commodity prices, resilient consumer activity, and solid U.S. demand for Canadian goods and services
- Only G7 country with free-trade agreements with all other G7 members under NAFTA / USMCA, CETA, and CPTPP.

► STRONG FINANCIAL SYSTEM

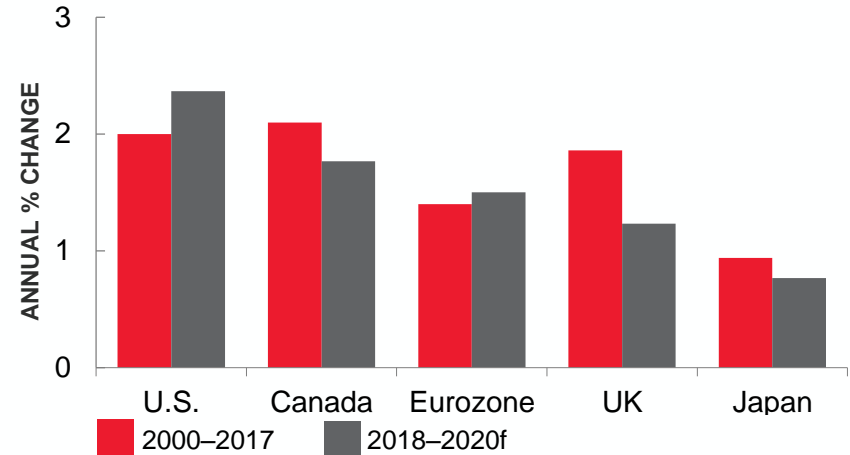
- **Effective regulatory framework**
 - Principles-based regime
 - Single regulator for major banks
 - Conservative capital requirements
 - Proactive policies and programs
- **Risk-management practices**
 - Prudent lending standards
 - Few sub-prime mortgages
 - Relatively little securitization
 - Primarily originate-to-hold model
- **Canadian banks well-capitalized and profitable**

Canadian Economy

Diverse economy with a strong balance sheet

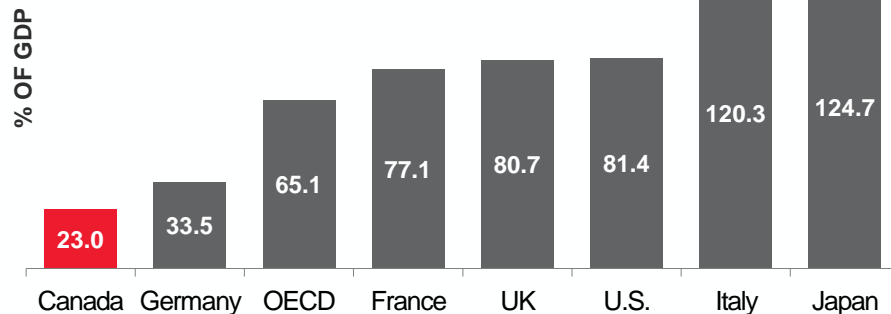


REAL GDP GROWTH



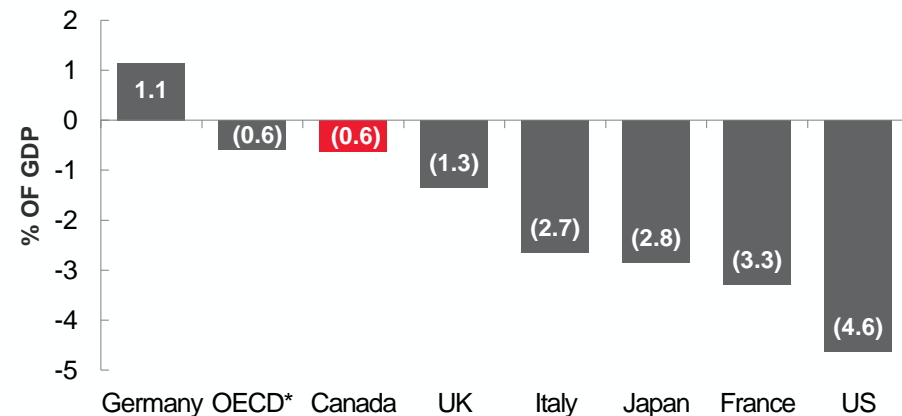
Sources: Scotiabank Economics, Haver Analytics, Statistics Canada. Forecasts as of May 9, 2019.

GENERAL GOVERNMENT NET FINANCIAL LIABILITIES



Sources: Scotiabank Economics, OECD (2018 estimates). As of May 2019.

GOVERNMENT FINANCIAL DEFICITS



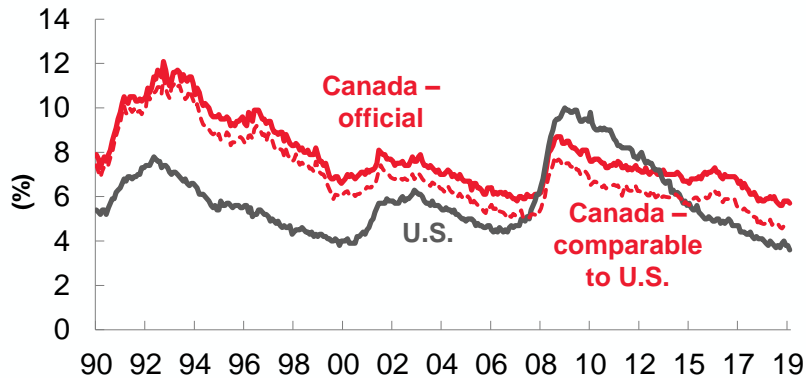
* Arithmetic mean of all OECD Financial Deficits as a % of GDP.

Sources: Scotiabank Economics, IMF (2019 estimates). As of May 2019.

Canada - Stable Economic Fundamentals

Low unemployment rate reflects solid growth in Canadian economy

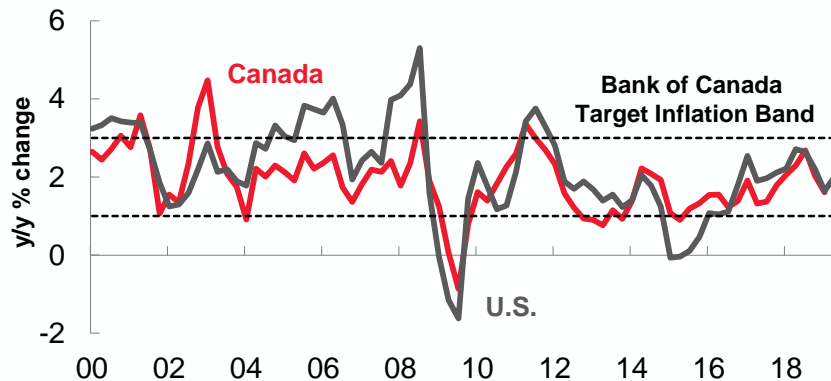
UNEMPLOYMENT RATE



Sources: Scotiabank Economics, Statistics Canada, BLS. Data through April 2019.

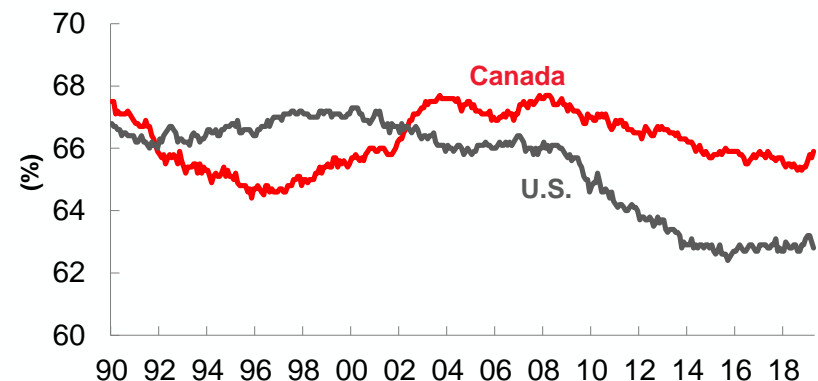
- Solid economic growth and a gradual rebound in non-energy exports
- Household spending remains buoyant, underpinned by relatively low and stable unemployment, as well as low borrowing costs
- Population and labour force growth supported by increasing immigration
- Moderate inflation within Bank of Canada target band

HEADLINE INFLATION



Sources: Scotiabank Economics, Statistics Canada, BLS. Data through March 2019 (Canada) and April 2019 (US).

LABOUR FORCE PARTICIPATION RATE









Sources: Scotiabank Economics, Statistics Canada, BLS. Data through April 2019.

Economic Outlook in Key Markets

Growth in Pacific Alliance expected to remain above that of Canada and the U.S.

2019 AND 2020 REAL GDP GROWTH FORECAST (%)

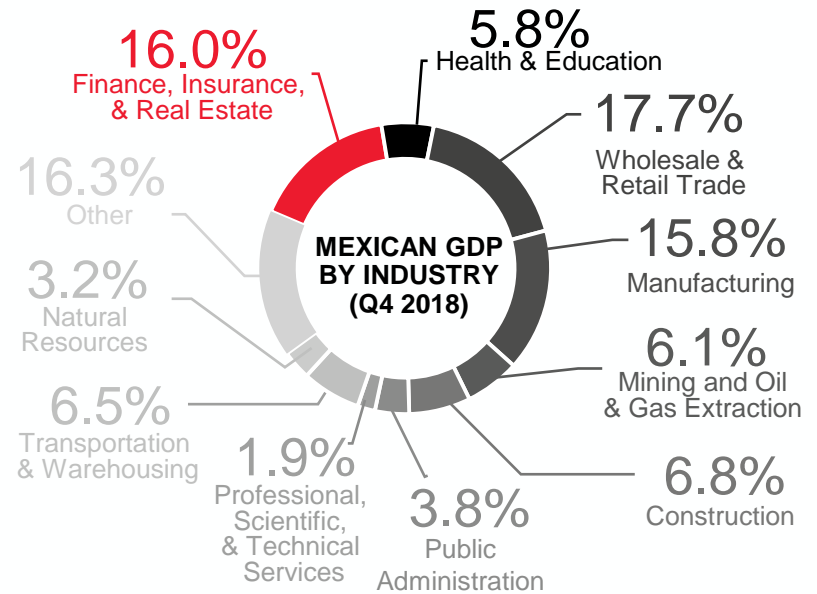
		Real GDP (Annual % Change)			
Country		2000–17 avg.	2018	2019f	2020f
 Mexico		2.2	2.0	1.4	1.3
 Peru		5.0	4.0	4.0	4.0
 Chile		3.9	4.0	3.2	3.2
 Colombia		3.9	2.6	3.4	3.8
PACs simple avg.		3.7	3.2	3.0	3.1
		2000–17 avg.	2018	2019f	2020f
 Canada		2.1	1.8	1.5	2.0
 U.S.		2.0	2.9	2.5	1.7

Source: Scotiabank Economics. Forecasts as of May 9, 2019.

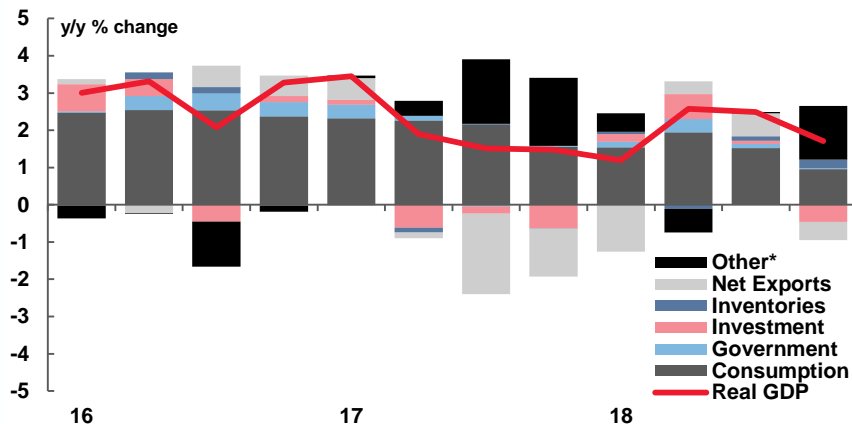
Mexico

Diverse economy with a strong balance sheet

- The Mexican economy reflects a solid mix of commodities, goods production, and services
- Trade remains dominated by the U.S., but Mexico's diversification agenda is underpinned by 13 free-trade agreements with 47 countries that account for 40% of global GDP
- Despite NAFTA-related concerns, investment rebounded in 2018, which points to the resilience of the economy to trade uncertainty

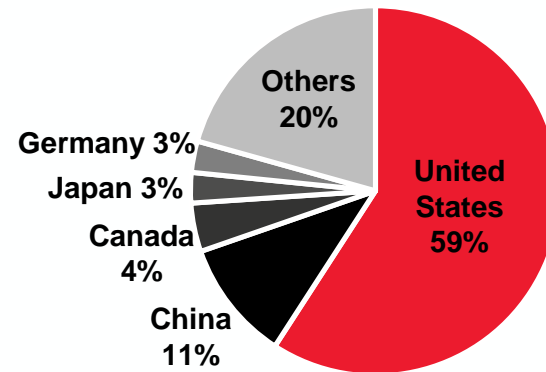


Contributions to Mexican GDP Growth



*Statistical discrepancy, subject to revision.
Sources: Scotiabank Economics, Haver Analytics.

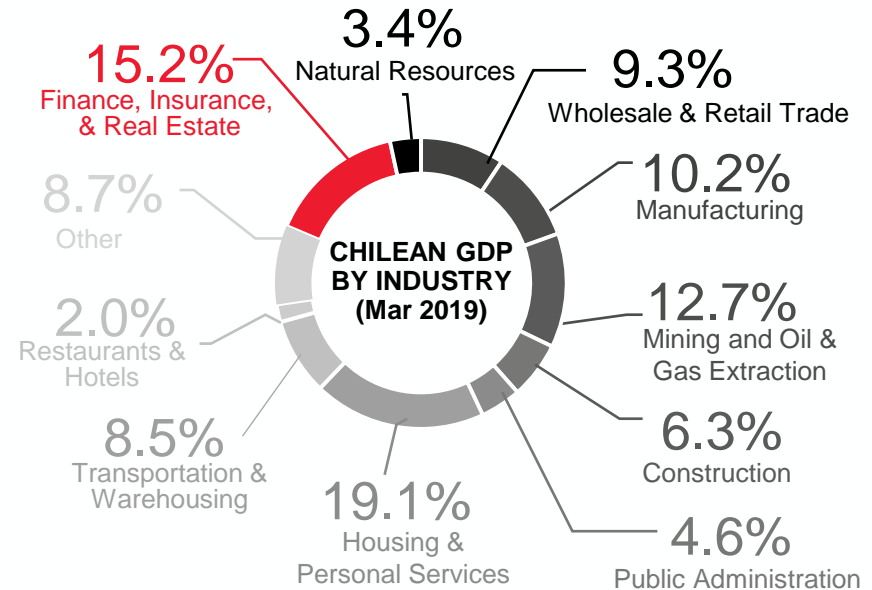
Top 5 Trading Partners



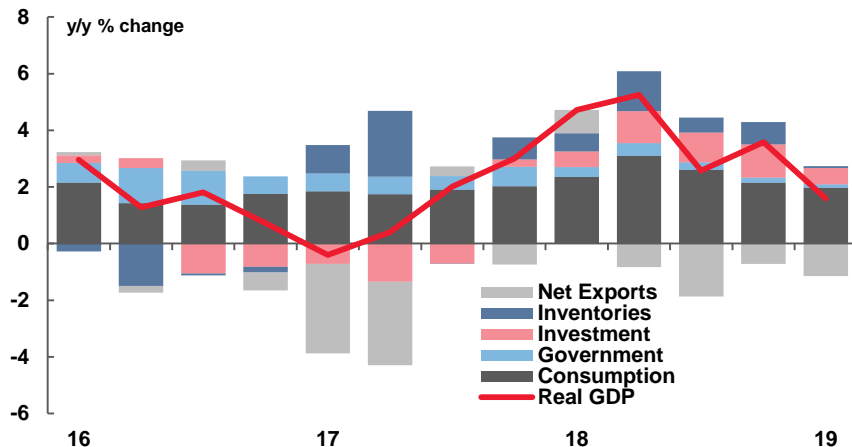
Chile

Advanced economy with wide-ranging trade links

- Chile's mix of economic activities reflects its status as an advanced market economy
- Chile's diversified trading relationships are supported by 22 free-trade agreements with 59 countries that account for 70% of global GDP
- Investment has been a strong contributor to growth in Chile over the past year, which should underpin future productivity gains

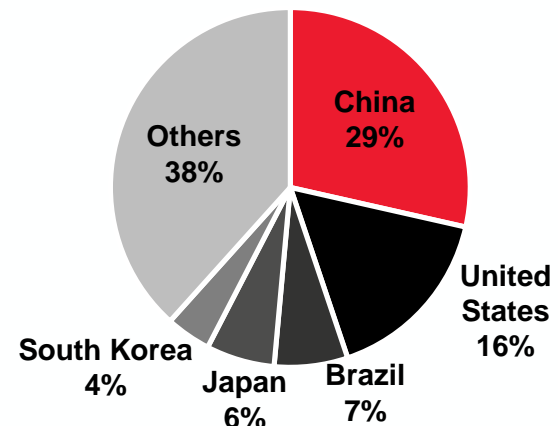


Contributions to Chilean GDP Growth



Sources: Scotiabank Economics, Haver Analytics.

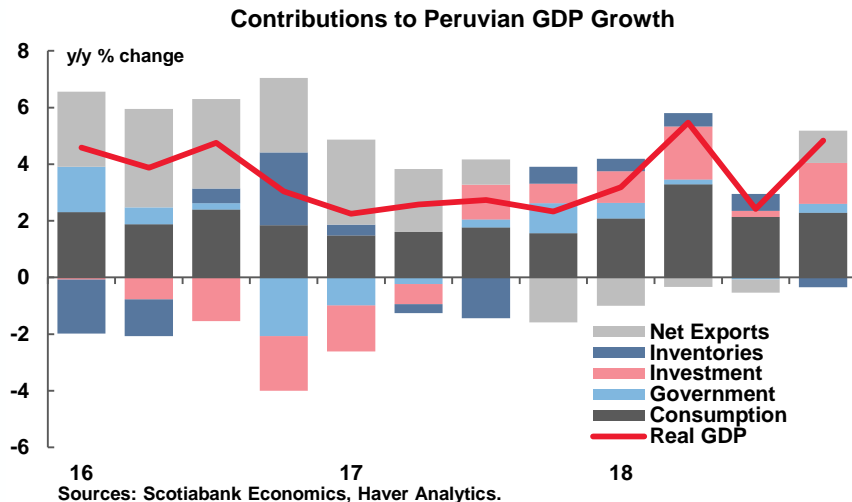
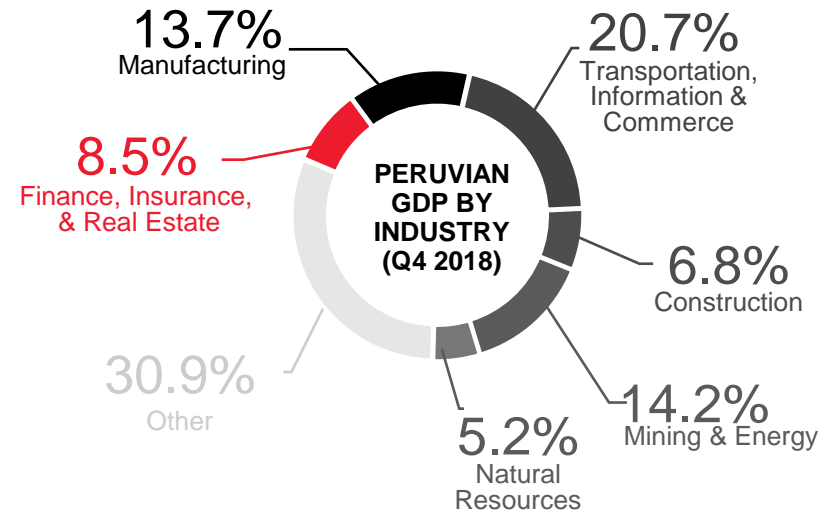
Top 5 Trading Partners



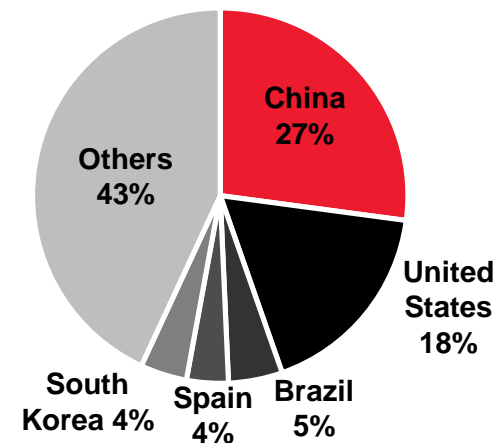
Peru

Resilient economic fundamentals

- Peru's important resource sectors are increasingly balanced by stronger service-sector activity and solid economic fundamentals
- Peru has 16 free-trade agreements with 49 countries that account for 66% of global GDP
- Investment is making a consistently strong contribution to GDP, which should make higher growth rates more sustainable in the future



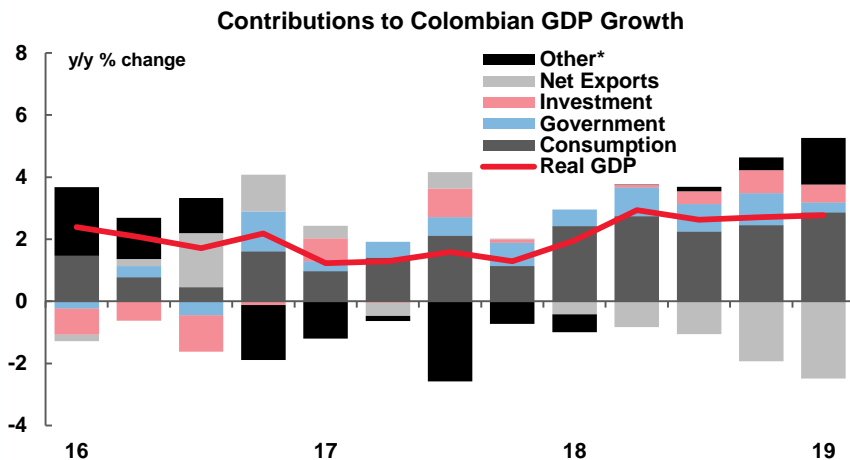
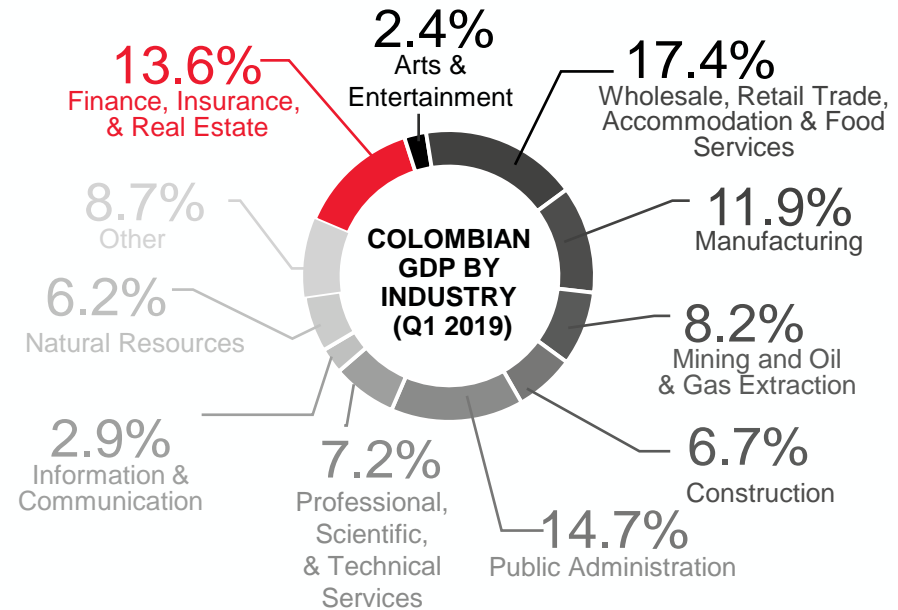
Top 5 Trading Partners



Colombia

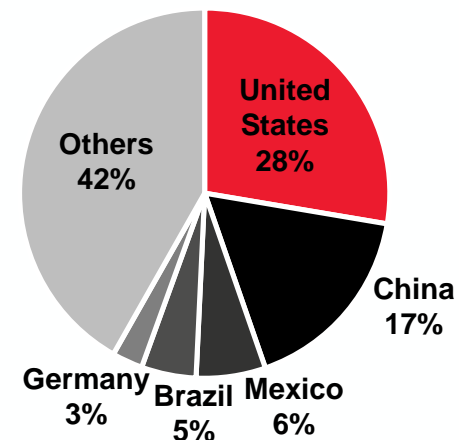
Gaining momentum

- Services account for a rising share of Colombian GDP compared with traditional strengths in extractive industries
- Colombia continues to build on its 10 free-trade agreements with 42 countries that account for 38% of global GDP
- Rising consumption, supported by public spending, reflects an expanding middle class as growth gains momentum and converges toward the economy's underlying potential



*Statistical discrepancy, subject to revision.
Sources: Scotiabank Economics, Haver Analytics.

Top 5 Trading Partners



Other Regions

Strong contribution from leading Caribbean & Central American franchise.

- **Caribbean & Central America**

- 16 countries contributing ~ CAD \$700MM in earnings in 2018
- Well-established, diversified franchise that serves retail, commercial and corporate customers
- Actively managing footprint to ensure scale in larger growth markets and reduce risk profile:
 - Acquired Banco Dominicano del Progreso in Q2/19. Doubles customer base and creates 4th largest bank.
 - Announced sale of operations in 9 smaller countries in Caribbean in Q1/19
 - Completed sale of pension and insurance operations in the Dominican Republic in Q2/19
 - Announced sale of banking and insurance operations in El Salvador in Q2/19
- Recognized by *Global Finance* magazine as:
 - “Best Bank Award 2017” in the Bahamas, Barbados, Costa Rica, Turks & Caicos and U.S. Virgin Islands;
 - “World’s Best Consumer Digital Bank 2017” in 24 countries across Latin America and the Caribbean; and
 - “Best in Mobile Banking” in the Caribbean region

- **Asia**

- **Thailand:** 49% interest in Thanachart Bank (2007)
 - Announced non-binding MOU in Q2/19 to merge with Thai Military Bank and sell partial interest
 - CAD \$3.0B carrying value as of October 31, 2018
 - CAD \$590MM of net income for twelve months ended October 31, 2018
- **China:** 19.9% interest in Bank of Xi'an (2009)
 - CAD \$1.2B market value as of Q2/19
 - CAD \$772MM carrying value as of October 31, 2018
 - CAD \$456MM of net income for twelve months ended October 31, 2018

The background of the slide features a red header bar at the top. Below it, a horizontal band contains a faint, light gray architectural drawing of a building's floor plan, showing various rooms, corridors, and structural elements. The main body of the slide is white.

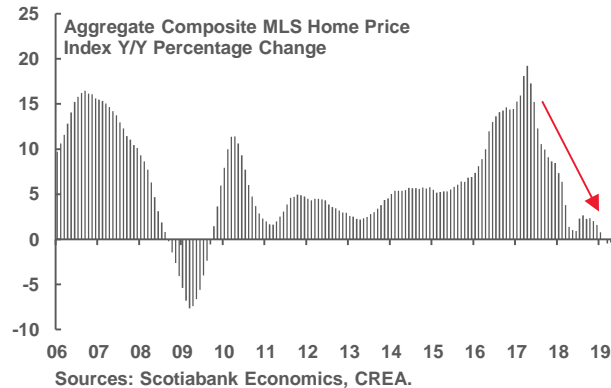
Appendix 2:

Canadian Housing Market

Canadian Housing Market

Engineered moderation of price and volume

Significant Moderation in Price Growth*



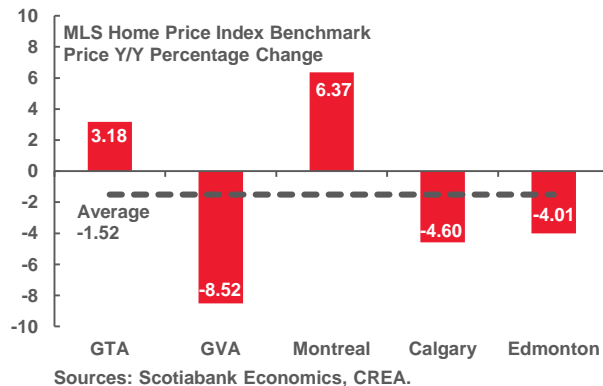
*Actual – not seasonally adjusted

Volume of Home Sales Near 10-Year Average*



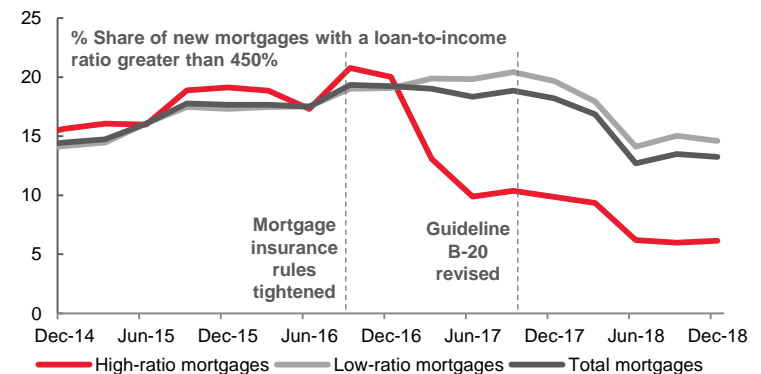
*Seasonally adjusted

Canada's Five Largest Metropolitan Areas*



*Actual – not seasonally adjusted

Decline in Share of High Risk Mortgages



Source: Bank of Canada

¹ Sources for charts and table: Bank of Canada Financial System Review 2019 (Data as of December 31, 2018); CREA; MLS Home Price Index growth rates reported as non seasonally-adjusted y/y (Data as of April 2019)

Canadian Housing Market

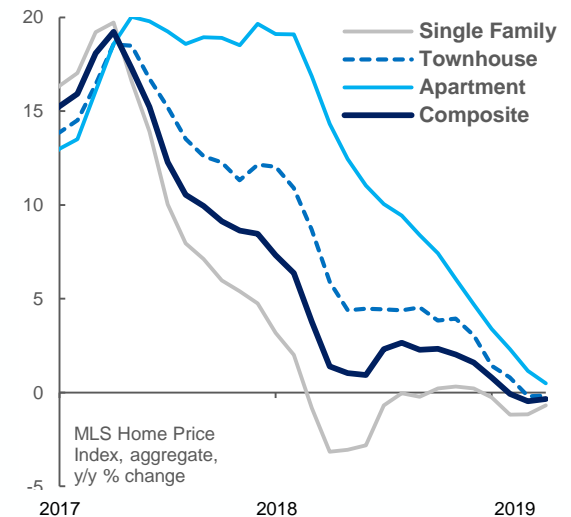
Engineered soft landing, stability expected in 2019

- **National:** Sales and prices have rebounded and market conditions are in equilibrium¹:
 - Average sales prices have increased in two consecutive months. Composite MLS Home Price Index² is stable (top right chart)
 - Sales-to-new listings ratio at 54.7% in April 2019, well within the 44–64% range consistent with balanced housing demand and supply
- **Greater Toronto:** Conditions are largely balanced, which indicate steady near-term price gains
- **Greater Vancouver:** Sales activity remains weak after new taxes came into effect on January 1, 2019 (bottom right chart). Expect a return to positive price and sales gains later this year supported by strong job creation and immigration

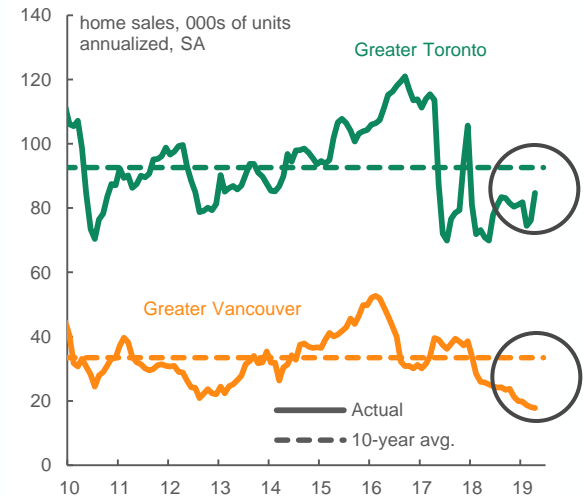
Canada	Mar-19	Apr-19	Apr-19
	m/m*	m/m*	y/y**
Sales (% change)	2.3	3.6	4.2
New listings (% change)	3.4	2.7	2.8
Average price (% change)	1.4	1.4	0.3
	Mar-19	Apr-19	
Sales-to-new listings ratio (level)*	54.3	54.8	
Months inventory (level)*	5.5	5.3	

*Seasonally adjusted **Not seasonally adjusted

Price Growth by Dwelling Type



Toronto & Vancouver Home Sales



¹ Sales and listings figures reported in seasonally-adjusted m/m terms, while MLS HPI growth rates reported as non-seasonally-adjusted y/y. Data as of April, 2019

² Measure of real estate price appreciation that removes distortions related to variations in the mix of sales across unit types

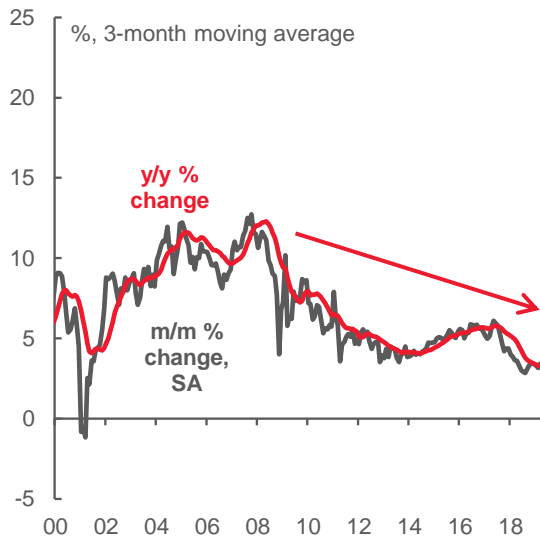
³ Sources for charts and table: Scotiabank Economics, CREA.

Canadian Household Credit

Public policy changes are moderating growth in household credit

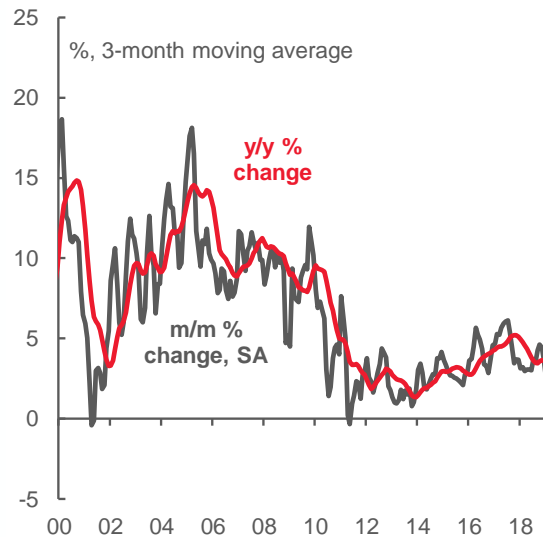
- Total household credit grew at 3.3% Y/Y in nominal terms in Q1 of 2019 vs 2008 peak of 12.4% Y/Y
- Consumer loans excluding mortgages (i.e., cards, HELOCs, unsecured lines, auto loans, etc.) grew at 3.4% Y/Y in Q1 of 2019 vs > 5% in late-2017
- Mortgage credit grew at 3.2% Y/Y in Q1 of 2019 vs 2008 peak of 13%

Household Credit Growth



Sources: Scotiabank Economics, Bank of Canada.

Consumer Loan Growth



Sources: Scotiabank Economics, Bank of Canada.

Residential Mortgage Growth



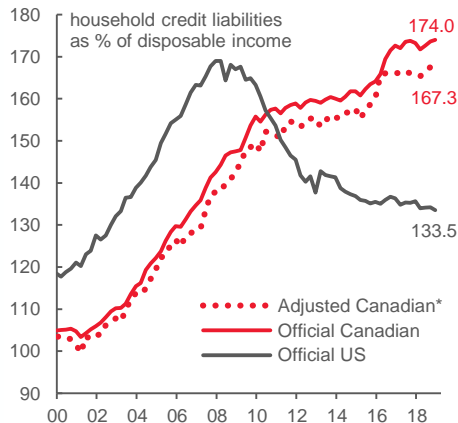
Sources: Scotiabank Economics, Bank of Canada.

Household Debt: Canada vs. U.S.

Canadian households' balance sheets compare favourably to US

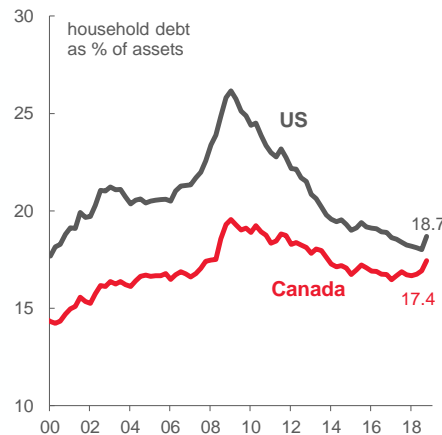
- **Canadian headline debt-to-income ratio is now 2% below the U.S. peak in 2008**
 - Over the last 8 years, increases in the Canadian debt-to-income ratio have slowed vs 2002–10
 - Calculated on the same terms, Canada's debt-to-income is currently 167% vs 134% in the U.S.
- **Canadian debt-to-assets ratio remains below U.S.**
 - U.S. households have incentive to pursue higher asset leverage in light of mortgage-interest deductibility
 - Debt is a stock concept, to be financed over one's lifetime. Income is a flow concept measuring one single year's earnings. Debt should be compared to lifetime or permanent income, or assets
- **Ratio of total household debt-to-GDP remains lower in Canada than U.S.**
 - Calculated on a comparable basis, the ratio of household credit market debt is 100.4% in Canada vs 101.2% in the U.S.

Household Credit-Market Debt to Disposable Income



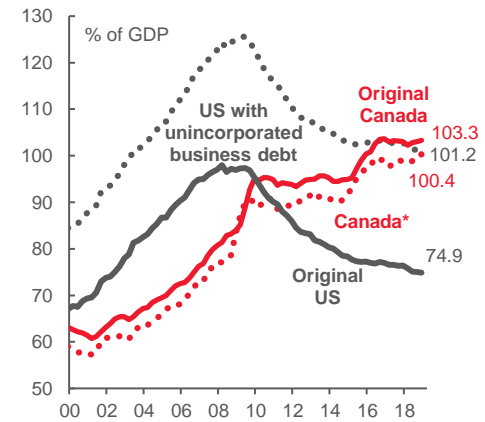
* Adjusted for US concepts and definitions.
 Sources: Scotiabank Economics, BEA, Federal Reserve Board, Statistics Canada.

Total Household Liabilities As % of Total Assets



Sources: Scotiabank Economics, Federal Reserve Board, Statistics Canada.

Household Credit-Market Debt to GDP



* Adjusted for US concepts and definitions.
 Sources: Scotiabank Economics, BEA, Federal Reserve Board, Statistics Canada.

Housing Market Differences vs U.S.

Canada's housing market features distinct practices and policies

	Canada	U.S.
Regulation and Taxation	<ul style="list-style-type: none"> • Mortgage interest not tax deductible • Full recourse against borrowers in most provinces • Foreclosure on non-performing mortgages, no stay periods <p>Insurance</p> <ul style="list-style-type: none"> • Mandatory default insurance mortgages with LTV > 80% <ul style="list-style-type: none"> ○ CMHC backed by Government of Canada (AAA). Private insurers are 90% government-backed ○ Insurance available for homes up to CAD \$1MM ○ Premium is payable upfront ○ Covers full amount for life of mortgage • Homebuyers must qualify for mortgage insurance at an interest rate that is the greater of their contract mortgage rate or the Bank of Canada's conventional five-year fixed posted rate • Re-financing cap of 80% LTV on non-insured mortgages <p>Amortization</p> <ul style="list-style-type: none"> • Maximum 25-year amortization on mortgages with LTV > 80% • Maximum 30-year amortization on conventional mortgages • Down payment of > 20% required for non-owner occupied properties 	<ul style="list-style-type: none"> • Tax-deductible mortgage interest creates incentive to borrow and delay repayment • Lenders have limited recourse in most states • 90-day to 1-year stay period to foreclose on non-performing mortgages • No regulatory LTV limit • Private insurers are not government backed
Product	<ul style="list-style-type: none"> • Conservative product offerings, fixed or variable rate options • Much less reliance upon securitization and wholesale funding • Asset-backed securities not subjected to US-style off-balance sheet leverage via special purpose vehicles 	<ul style="list-style-type: none"> • Can include exotic products (e.g. adjustable rate mortgages, interest only)
Underwriting	<ul style="list-style-type: none"> • Terms usually three or five years, renewable at maturity • Extensive documentation and strong standards 	<ul style="list-style-type: none"> • 30-year term most common • Wide range of documentation and underwriting requirements

Housing Policy Developments in Canada

Consistent policy initiatives to maintain a balanced and sustainable market

2016

2017

2018

2019

- **Canada:** Qualifying stress rate for all new mortgage insurance must be the greater of the contract mortgage rate or the Bank of Canada's conventional five-year fixed posted rate
- Low-ratio mortgage insurance eligibility requirements updated for lenders wishing to use portfolio insurance:
 - Maximum amortization 25 years
 - CAD \$1MM max. purchase price
 - Minimum credit score of 600
 - Owner-occupied property
- Elimination of primary residence tax exemption for foreign buyers
- Min. down payment on insured increased from 5% to 10% (for homes CAD \$0.5–\$1.0MM)
- **British Columbia:** 15% land transfer tax on non-resident purchases in Metro Vancouver introduced
- **Ontario:** 16 measures aimed to slow rate of house price appreciation
 - Key aspects include:**
 - 15% non-resident speculation tax
 - Expanded rent control to all private rental units in Ontario
 - Vacant home tax
 - CAD \$125MM five-year program to encourage construction of new rental apartment buildings
- **Canada:** OSFI imposes more stringent stress tests for uninsured mortgages, including a minimum qualifying rate at the greater of the five-year fixed posted rate or the contractual rate plus 200 bps, effective January 1, 2018
- **Ontario:** Elimination of rent control on new rental units first occupied on or before November 1, 2018
- **British Columbia:** Extension of the Property Transfer Tax on non-resident buyers. Investment of more than CAD \$1.6B through FY2021 toward the goal of building 114,000 affordable housing units in the next 10 years
- **British Columbia:** Increase in speculation tax on foreign and domestic home owners who do not pay income tax in BC from 0.5% of a property's assessed value to 2%; additional school tax levied on portion of a property's value that exceeds CAD \$3MM

The background of the slide features a technical drawing or architectural plan in a light gray color, overlaid on a solid red background. The drawing includes various geometric shapes, lines, and hatching, suggesting a complex design or engineering plan. The red background is a solid, vibrant color that covers the top half of the slide.

Appendix 3:

Bail-in and TLAC

Canadian Bail-in Regulations: Key Features

Best in class approach

- Post September 23, 2018, senior unsecured debt issued by Canadian DSIBs that is subject to bail-in is the **only format of issuance available**¹ and is a **single class of debt**² that is not subordinated to another class of wholesale senior debt
- Canadian bank term senior unsecured debt is **not structurally, statutorily or contractually subordinated to another class of senior liabilities** and therefore is equal to deposits and other senior liabilities in liquidation
- In the remote probability of default, the **no creditor worse off principle** ensures that bailed-in senior creditors should not incur greater losses through resolution than liquidation. The CDIC compensation regime ensures holders receive the difference between liquidation and resolution value
- Canada utilizes a **statutory regime** where, unlike the contractual regime of Canadian NVCC capital instruments, there is no set conversion multiplier and there is flexibility for a partial bail-in or no bail-in of senior debt even if NVCC instruments are converted
- Canadian bank resolution framework provides senior debt holders with protection in that the **relative creditor hierarchy is maintained**. Acceleration rights³ upon non-payment of principal or interest are allowed in Canada






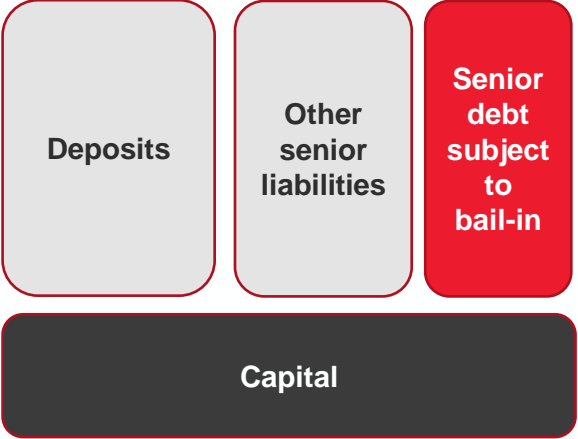
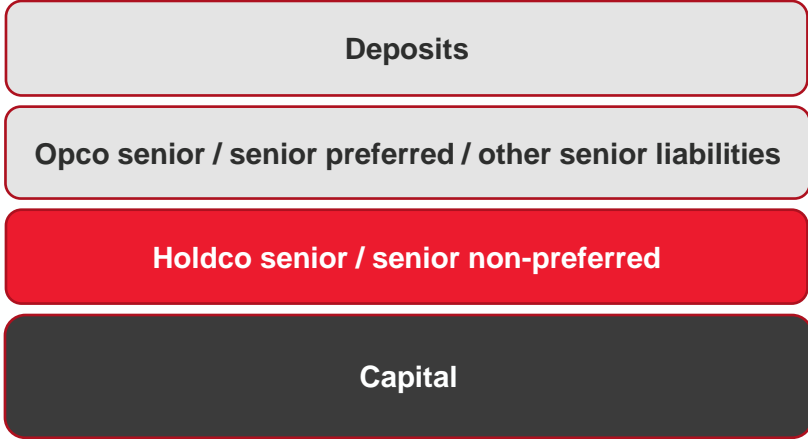
¹ Excludes structured notes as defined in section 2(6) of the Bank Recapitalization (Bail-in) Conversion Regulations under the CDIC Act

² Ranks pari passu with other forms of senior debt, except as otherwise prescribed by law and subject to the exercise of bank resolution powers

³ Subject to 30 business day grace period and subject to bail-in conversion powers until repaid in full

Canadian Bail-in Regulations: Jurisdictional Comparison

Best in class approach

					
Instrument type	Opco senior	Holdco senior	Holdco senior ¹	Holdco senior	Opco non-preferred senior
Ranking in Liquidation	Pari passu with deposits and other senior liabilities	Structural subordination ²	Structural subordination ²	Structural subordination ²	Contractual subordination ²
Subordination schematic					
Depositor preference	No	Yes	Yes	Yes	Yes
Participation in equity post resolution	Conversion to equity of the bank or an affiliate allows participation in the upside, if any ³	N/a ⁴	Uncertain given possibility of writedown	Uncertain given possibility of writedown	Uncertain given possibility of writedown
Acceleration rights upon failure to pay principal and interest	Yes	Yes	Yes	Yes	No ⁵

¹ Applicable in practice for G-SIBs' issuance of non-capital bail-in debt

² Approach applicable to G-SIBs in relevant jurisdictions. Additionally, Switzerland uses structural subordination, Germany uses statutory subordination, Spain uses contractual subordination

³ Assuming only bail-in is triggered. If other resolution powers are exercised, debt holders could be exposed to losses in a manner similar to a write-down of their claims

⁴ No bail-in power. In resolution, debtholders could potentially receive partial recoveries (analogous to a write-down) or have their claims satisfied through the issuance of new securities (analogous to a bail-in conversion)

⁵ The terms of senior non-preferred do not include acceleration rights upon failure to pay principal and interest; however, there is no statutory restriction in this regard. Once resolution proceedings are underway, holders may declare an event of default for failure to meet payment obligations

Summary of Bail-in / TLAC Regime

Best in class approach

Scope	OSFI designated DSIBs
Scope of bail-in instruments	Senior unsecured debt that is tradeable and transferable, original term >400 days, unsecured and issued, originated or renegotiated after September 23, 2018
Liabilities excluded from bail-in	Insured deposits, uninsured deposits ¹ , debt with original term < 400 days, ABS / covered bonds, structured notes ² , derivative liabilities, other liabilities
TLAC compliance date	November 1, 2021
TLAC requirement	23.25% minimum risk-based TLAC ratio (21.50% plus a 1.75% Domestic Stability Buffer) 6.75% minimum TLAC leverage ratio
TLAC eligibility	Regulatory capital + bail-in debt with remaining term to maturity > 1 year ³
Grandfathering	Yes – all senior instruments issued prior to September 23, 2018
Sequencing and preconditions	1. Federal authorities bring bank into resolution 2. Full conversion of bank's NVCC instruments must occur prior to or concurrently with bail-in
Form of bail-in	Equity conversion
DSIB disclosure requirements	<ul style="list-style-type: none"> - Include disclosure related to the conversion power in any agreement governing an eligible liability as well as any accompanying offering document - Include a clause in the contractual provisions governing any eligible liability through which investors provide express submission to the Canadian bail-in regime - Provide disclosure of TLAC ratios beginning Q1 2019

- Bail-in is **not the only path** in Canada to resolve a failing bank. Canadian authorities retain full discretion to use other powers including “vesting order”, “receivership order”, “bridge bank resolution order” etc.
- Conversion into equity under the Canadian bail-in regime has the potential to result in realizable value, potentially in excess of principal amount

¹ Yankee CD's with original term > 400 days are in-scope of bail-in

² As per definition of structured notes in section 2(6) of the Bank Recapitalization (Bail-in) Conversion Regulations under the CDIC Act

³ Provided such bail-in debt meets certain other requirements

The background of the slide features a technical drawing or architectural plan, rendered in a light gray color. It includes various geometric shapes, lines, and hatching patterns, suggesting a complex design or engineering drawing. The drawing is partially obscured by a solid red banner at the top of the slide.

Appendix 4:

Covered Bonds

Global Registered Covered Bond Program

CAD\$36 billion Global Covered Bond Program

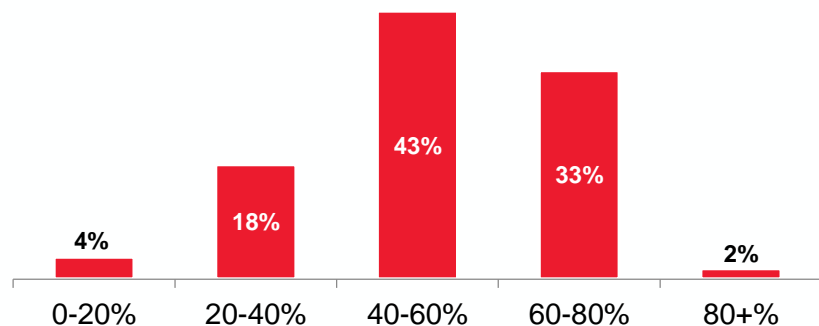
- **Active in multiple currencies: USD, EUR, GBP, AUD and CHF**
- **Extensive regulatory oversight and pool audit requirements**
- **Mandatory property value indexation**
- **Established high level of safeguards and disclosure requirements**
- **Program carries the ECBC Covered Bond Label**

Issuer	The Bank of Nova Scotia
Guarantor	Scotiabank Covered Bond Guarantor Limited Partnership
Guarantee	Payments of interest and principal in respect of the covered bonds are irrevocably guaranteed by the Guarantor. The obligations under the Covered Bond Guarantee constitute direct obligations of the Issuer and are secured by the assets of the Guarantor, including the Portfolio.
Status	The covered bonds will constitute legal, valid and binding direct, unconditional, unsubordinated and unsecured obligations of the Bank and will rank pari passu with all deposit liabilities of the Bank without any preference among themselves and at least pari passu with all other unsubordinated and unsecured obligations of the Bank, present and future.
Program Size	CAD \$36 billion
Ratings	Aaa / AAA / AAA (Moody's / Fitch / DBRS)
Cover Pool	First lien uninsured Canadian residential mortgage loans with LTV limit of 80%
Asset Percentage	94.8% (5.5% minimum overcollateralization)
Law	Ontario, Canada
Issuance Format	144A / Reg S (UKLA Listed)

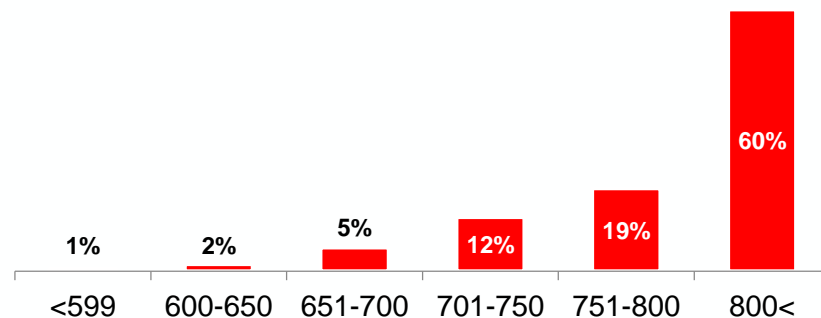
Global Registered Covered Bond Program¹

CAD\$36 billion Global Covered Bond Program

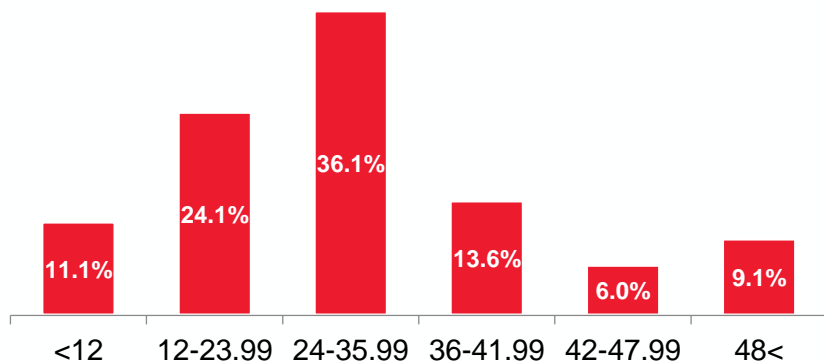
LOAN-TO-VALUE RATIOS²



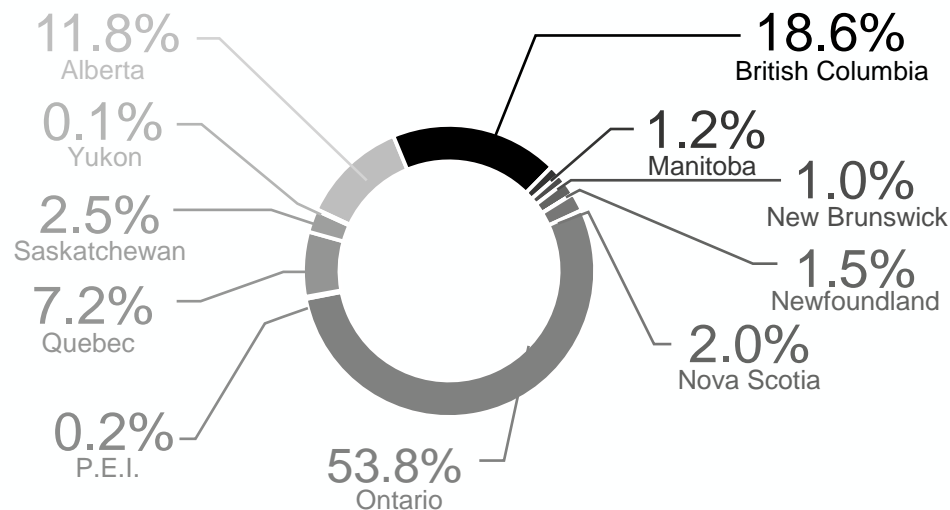
CREDIT SCORES



REMAINING TERM DISTRIBUTION (MONTHS)



PROVINCIAL DISTRIBUTION



¹ As at April 30, 2019

² Uses indexation methodology as outlined in Footnote 1 of the Scotiabank Global Registered Covered Bond Monthly Investor Report

Canadian Legislative Covered Bonds (CMHC Registered)

Issuance Framework	<ul style="list-style-type: none"> • Canadian Registered Covered Bond Programs' Legal Framework (Canadian National Housing Act) • Canadian Registered Covered Bond Programs Guide issued by Canada Mortgage and Housing Corporation (CMHC)
Eligible Assets	<ul style="list-style-type: none"> • Uninsured loans secured by residential property in Canada
Mortgage LTV Limits	<ul style="list-style-type: none"> • LTV limit of 80%
Basis for Valuation of Mortgage Collateral	<ul style="list-style-type: none"> • Issuers are required to index the value of the property underlying mortgage loans in the covered pool while performing various tests
Substitute Assets	<ul style="list-style-type: none"> • Securities issued by the Government of Canada • Repos of Government of Canada securities having terms acceptable to CMHC
Substitute Assets Limitation	<ul style="list-style-type: none"> • 10% of the aggregate value of (a) the loans (b) any Substitute Assets and (c) all cash held by the Guarantor
Cash Restriction	<ul style="list-style-type: none"> • The cash assets of the Guarantor cannot exceed the Guarantor's payment obligations for the immediately succeeding six months
Coverage Test	<ul style="list-style-type: none"> • Asset coverage Test • Amortization Test
Credit Enhancement	<ul style="list-style-type: none"> • Overcollateralization • Reserve Fund • Prematurity Liquidity
Swaps	<ul style="list-style-type: none"> • Covered bond swap, forward starting • Interest rate swap, forward starting
Market Risk Reporting	<ul style="list-style-type: none"> • Valuation calculation • Mandatory property value indexation
Covered Bond Supervisory Body	<ul style="list-style-type: none"> • CMHC
Requirement to Register Issuer and Program	<ul style="list-style-type: none"> • Yes; prior to first issuance of the covered bond program
Registry	<ul style="list-style-type: none"> • Yes
Disclosure Requirements	<ul style="list-style-type: none"> • Monthly investor report with prescribed disclosure requirements set out by CMHC • Investor reports must be posted on the program website • Required to meet applicable regulatory disclosure requirements

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Appendix 5:

Additional Information

Additional Information

Scotiabank Listings:

- Toronto Stock Exchange (TSX: BNS)
- New York Stock Exchange (NYSE: BNS)

Scotiabank Common Share Issue Information:

- CUSIP: 064149107
- ISIN: CA0641491075
- FIGI: BBG000BXSXH3
- NAICS: 522110

Scotiabank Credit Ratings

	Moody's Investors Services	Standard & Poor's	Fitch Ratings	Dominion Bond Rating Service Ltd.
Legacy Senior Debt ¹	Aa2	A+	AA-	AA
Senior Debt ²	A2	A-	AA-	AA (low)
Subordinated Debt (NVCC)	Baa1	BBB+	-	A (low)
Short Term Deposits/Commercial Paper	P-1	A-1	F1+	R-1 (high)
Covered Bond Program	Aaa	Not Rated	AAA	AAA
Outlook	Stable	Stable	Stable	Stable

¹ Includes: (a) Senior debt issued prior to September 23, 2018; and (b) Senior debt issued on or after September 23, 2018 which is excluded from the bank recapitalization "bail-in" regime

² Subject to conversion under the bank recapitalization "bail-in" regime

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