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 2019 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 operate; changes in currency and interest rates; increased funding costs and market volatility due to 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 2019 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 2019 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 and other 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.
Leading Bank in the Americas

Brian J. Porter
President & CEO

Scotiabank
FOCUSED ON THE AMERICAS

COMMITMENT TO CUSTOMERS

WINNING TEAM
FOCUSED ON THE AMERICAS
Banking ROE by Market

Banking: Average ROE by Market
(Latest Reporting Period)

Return on equity in latest reporting period for the leading bank by market share for loans in each country. Canada and US figures are average for five largest and 10 largest market share banks in each country, respectively.

Sources: Bloomberg LLP, Company Financial Reports.
Strong Consumption in Pacific Alliance

Growth in Household Consumption
(Annual Change 2009-2019YTD)

Sources: Scotiabank Economics, Statistics Canada, BEA, Eurostat, INEGI, BCRP, BCC, DANE.
Increasing Banking Penetration

Growth Markets

Mature Markets

GDP per Capita (US$)²

Banking Penetration (%)¹

1 Source: World Bank Open Data 2018. Banking Penetration is defined as account ownership at a financial institution or with a mobile-money-service provider (% of population ages 15+).

2 Source: World Bank Open Data 2018. GDP per capita is nominal gross domestic product divided by mid year population.
FOCUSED ON THE AMERICAS
COMMITMENT TO CUSTOMERS
WINNING TEAM
Leading Bank in the Americas

Brian J. Porter
President & CEO
Economic Outlook and Implications for Banking

Jean-Francois Perrault
SVP and Chief Economist

Jorge Selaive
Chief Economist, Chile
Topics of Discussion

1. Canada & US Outlook
2. Fundamentals of the Pacific Alliance
3. Resilience
4. Opportunities
Are We Headed for a Recession?

News-Based Economic Policy Uncertainty Index

Sources: Haver Analytics, Scotiabank Economics
A Recession is Unlikely

US: Treasury Spread-Based Recession Probability 12-months Ahead

Canada: Probability of a Recession

Sources: FRBNY, Haver Analytics, Scotiabank Economics
Shaded areas represent recessionary periods
Fed and BoC Policy: Negative Rates Not in Sight

Sources: Haver Analytics, Scotiabank Economics
Population Growth: A Canadian Differentiator

G7 Population Growth

Sources: IMF, Scotiabank Economics
Canada

Immigration Needed to Help Fill Job Vacancies

Canadian Job Gains Still Outpacing 2018

Canadian Wage Growth is Rebounding

Sources: Statistics Canada, Scotiabank Economics
Housing Undersupplied, Prospects are Solid

Housing Supply Situation

completed & unabsorbed units per population aged 15 and over, index, 2010 = 100

Sources: Statistics Canada, Scotiabank Economics
Households are in Better Shape Than Reported

Household Net Worth vs Debt

Default Rates Continue to Remain Low

Sources: Statistics Canada, CBA, Scotiabank Economics
### Large and Rapidly Growing Economies

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP (billion, USD(^1))</th>
<th>Population (millions)</th>
<th>GDP per capita (2008)</th>
<th>GDP per capita (2018)</th>
<th>CAGR (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>20,494</td>
<td>327</td>
<td>50,247</td>
<td>56,567</td>
<td>1.2</td>
</tr>
<tr>
<td>Pacific Alliance</td>
<td>4,250</td>
<td>225</td>
<td>13,846</td>
<td>16,833</td>
<td>2.0</td>
</tr>
<tr>
<td>Mexico</td>
<td>2,570</td>
<td>128</td>
<td>16,639</td>
<td>18,312</td>
<td>1.0</td>
</tr>
<tr>
<td>Canada</td>
<td>1,837</td>
<td>36</td>
<td>41,662</td>
<td>44,135</td>
<td>0.6</td>
</tr>
<tr>
<td>Colombia</td>
<td>745</td>
<td>48</td>
<td>10,555</td>
<td>13,283</td>
<td>2.3</td>
</tr>
<tr>
<td>Chile</td>
<td>482</td>
<td>18</td>
<td>18,987</td>
<td>23,092</td>
<td>2.0</td>
</tr>
<tr>
<td>Peru</td>
<td>457</td>
<td>32</td>
<td>9,203</td>
<td>12,644</td>
<td>3.2</td>
</tr>
</tbody>
</table>

**Sources:** IMF, Scotiabank Economics

1. Purchasing Power Parity

### Solid framework

- Inflation targeting regimes
- Floating exchange regimes
- Financial openness
- Fiscal responsibility
- Consolidated democracies
# Proactive Governments Implement Reforms

<table>
<thead>
<tr>
<th>Chile</th>
<th>Peru</th>
<th>Colombia</th>
<th>Mexico</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Pension reform</td>
<td>- Limit in re-election of congressmen</td>
<td>- Improvement of tax reform</td>
<td>- Increase in minimum wage</td>
</tr>
<tr>
<td>- Increase in minimum wage</td>
<td>- Universal access to the national health system</td>
<td>- Labor reform in 2020</td>
<td>- Labor reform</td>
</tr>
<tr>
<td>- Reduction in meds prices</td>
<td>- Generic meds availability in private drug stores</td>
<td>- Pension reform in 2020</td>
<td>- Anti-corruption agenda</td>
</tr>
<tr>
<td>- Freezing of some tariffs</td>
<td>- National plan of infrastructure and competitiveness</td>
<td></td>
<td>- Educational reform</td>
</tr>
<tr>
<td>- Increase in personal income taxes</td>
<td></td>
<td></td>
<td>- Prohibition of remission of taxes to wealthy taxpayers</td>
</tr>
<tr>
<td>- Congress reform</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Referendum for a new Constitution</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Scotiabank Economics
Greater Income Distribution Fuels Growth

Inequality (Gini) and GDP per capita
USD avg. 2013-2017

Sources: IMF, World Bank, Scotiabank Economics
PAC Fundamentals

PAC to Grow Faster Than Advanced Economies

10 Largest Economies in the World
USD$ B\(^1\), 2018

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>China</td>
<td>25,270</td>
</tr>
<tr>
<td>2.</td>
<td>United States</td>
<td>20,494</td>
</tr>
<tr>
<td>3.</td>
<td>India</td>
<td>10,505</td>
</tr>
<tr>
<td>4.</td>
<td>Japan</td>
<td>5,594</td>
</tr>
<tr>
<td>5.</td>
<td>Germany</td>
<td>4,356</td>
</tr>
<tr>
<td>6.</td>
<td>Pacific Alliance</td>
<td>4,254</td>
</tr>
<tr>
<td>7.</td>
<td>Russia</td>
<td>4,213</td>
</tr>
<tr>
<td>8.</td>
<td>Indonesia</td>
<td>3,495</td>
</tr>
<tr>
<td>9.</td>
<td>Brazil</td>
<td>3,365</td>
</tr>
<tr>
<td>10.</td>
<td>United Kingdom</td>
<td>3,038</td>
</tr>
</tbody>
</table>

Projected GDP Growth 2019-2024
Annual Rate, Percentage

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>5.8</td>
</tr>
<tr>
<td>Colombia</td>
<td>3.7</td>
</tr>
<tr>
<td>Peru</td>
<td>3.6</td>
</tr>
<tr>
<td>Chile</td>
<td>3.1</td>
</tr>
<tr>
<td>Pacific Alliance</td>
<td>3.0</td>
</tr>
<tr>
<td>United States</td>
<td>1.8</td>
</tr>
<tr>
<td>Mexico</td>
<td>1.7</td>
</tr>
<tr>
<td>Canada</td>
<td>1.7</td>
</tr>
<tr>
<td>Adv. Economies</td>
<td>1.7</td>
</tr>
</tbody>
</table>

Sources: IMF, World Bank, Scotiabank Economics
1 Purchasing Power Parity
Low Household and Government Debt

Household Debt and GDP Per Capita

Gross Public Debt\(^1\)
Percentage of GDP, 2018

Sources: OECD, IMF, Scotiabank Economics

1 IMF classification for Emerging Markets, excluding Pacific Alliance countries
Consistent Improvement in Credit Ratings

S&P Rating Scale

Pacific Alliance

Other Large Developing Markets

Sources: IMF, S&P, Scotiabank Economics

PAC: Pacific Alliance
Diversified Economies

Economic Structure
Percentage of GDP, 2018

United States
- Services: 77%
- Natural Resources: 12%
- Construction & Others: 10%
- Manufacturing: 1%

Pacific Alliance¹
- Services: 58%
- Natural Resources: 10%
- Construction & Others: 4%
- Manufacturing: 28%

Canada
- Services: 67%
- Natural Resources: 21%
- Construction & Others: 2%
- Manufacturing: 10%

Sources: IMF, Scotiabank Economics
¹ Pacific Alliance calculated as a weighted average by sectorial GDP
Main Export Products
Percentage of GDP, 2018

Sources: IMF, Scotiabank Economics
1 Pacific Alliance calculated as a weighted average of total exports
Diverse Sources of Foreign Direct Investment (FDI)

PAC Fundamentals

PAC - FDI Inflow by Country of Origin
Percentage, 2018

- US+Canada: 46%
- Europe: 39%
- Latam: 13%
- Asia-Pacific: 2%

PAC - FDI Inflow by Sector
Percentage of Total FDI

- Natural Resources: 31.9%
- Manufacturing: 24.9%
- Services: 43.1%

Sources: IMF, Scotiabank Economics
Sum of all inflows to the Pacific Alliance countries
Sustainable Current Accounts Aided by FDI

Foreign Direct Investment and Current Account Deficits
Percentage of GDP, avg. 2009-2018

Source: World Bank, Scotiabank Economics
Diversified Trading Partners

**Exports by Destination**
Percentage of Total Exports, 2018

- **Chile**: 42% US & EU, 31% Mexico, 27% Peru, 26% Others
- **Peru**: 37% US & EU, 37% Mexico, 26% Peru, 42% Others
- **Mexico**: 65% US & EU, 15% Peru, 48% Colombia, 20% Others
- **Colombia**: 47% US & EU, 5% Peru, 42% Mexico, 26% Others
- **Pacific Alliance**: 57% US & EU, 17% Mexico, 26% Peru, 42% Others

**Free Trade Agreements**

- **Peru**: 2008, 37% % of global GDP (FTA signed), # of countries (FTA signed)
- **Chile**: 2008, 48% % of global GDP (FTA signed), 15
- **Mexico**: 2008, 47% % of global GDP (FTA signed), 65
- **Colombia**: 2008, 42% % of global GDP (FTA signed), 10

Sources: World Bank, Scotiabank Economics
Economic and Financial Reforms Have Paid Off

Change in Country Risk
CDS Change 2010-2019, Basis Points

<table>
<thead>
<tr>
<th>Country</th>
<th>Change 2010-2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peru</td>
<td>-69</td>
</tr>
<tr>
<td>Pacific Alliance</td>
<td>-44</td>
</tr>
<tr>
<td>Chile</td>
<td>-40</td>
</tr>
<tr>
<td>Colombia</td>
<td>-35</td>
</tr>
<tr>
<td>Mexico</td>
<td>-32</td>
</tr>
</tbody>
</table>

CDS Correlation with Other Emerging Economies
2Y Rolling

Sources: Bloomberg, World Bank, Scotiabank Economics
An Expanding Middle Class

Income Share Held by Middle Class\(^1\)
Percentage of National Income

Middle Class Income\(^1\)
USD Per Capita

Sources: World Bank, Scotiabank Economics

1 Middle class represents the 2nd, 3rd and 4th quintile of income distribution. Emerging Markets excluding China
Digital Adoption Has Improved

### Internet Usage
Percentage of adult population

<table>
<thead>
<tr>
<th>Country</th>
<th>2006</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>93</td>
<td>64</td>
</tr>
<tr>
<td>United States</td>
<td>82</td>
<td>64</td>
</tr>
<tr>
<td>Mexico</td>
<td>75</td>
<td>62</td>
</tr>
<tr>
<td>Colombia</td>
<td>64</td>
<td>60</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>49</td>
<td>49</td>
</tr>
<tr>
<td>Peru</td>
<td>93</td>
<td>49</td>
</tr>
</tbody>
</table>

### Digital Payment
Percentage of adult population

<table>
<thead>
<tr>
<th>Country</th>
<th>2014</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>97</td>
<td>89</td>
</tr>
<tr>
<td>United States</td>
<td>64</td>
<td>62</td>
</tr>
<tr>
<td>Mexico</td>
<td>75</td>
<td>60</td>
</tr>
<tr>
<td>Colombia</td>
<td>64</td>
<td>60</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>49</td>
<td>49</td>
</tr>
<tr>
<td>Peru</td>
<td>93</td>
<td>49</td>
</tr>
</tbody>
</table>

Sources: World Bank, Scotiabank Economics
1 Percentage of population (15+) that made digital payments in the past year (Global Financial Inclusion Database)
Growing and Young Population

Demographic Structure
Median Age, 2018

<table>
<thead>
<tr>
<th>Region</th>
<th>Median Age, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>42</td>
</tr>
<tr>
<td>OECD</td>
<td>40</td>
</tr>
<tr>
<td>United States</td>
<td>38</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>33</td>
</tr>
<tr>
<td>Pacific Alliance</td>
<td>30</td>
</tr>
</tbody>
</table>

Population Growth
Percentage, 2014-2018

<table>
<thead>
<tr>
<th>Region</th>
<th>Growth Percentage, 2014-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>5.3</td>
</tr>
<tr>
<td>OECD</td>
<td>4.6</td>
</tr>
<tr>
<td>United States</td>
<td>3.6</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>2.8</td>
</tr>
<tr>
<td>Pacific Alliance</td>
<td>2.5</td>
</tr>
</tbody>
</table>

Sources: World Bank, Scotiabank Economics
Opportunities

Upside for Growth in Banking Services

Banking Penetration
Percentage of Adult Population

<table>
<thead>
<tr>
<th>Country</th>
<th>2011</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>100</td>
<td>93</td>
</tr>
<tr>
<td>United States</td>
<td>93</td>
<td>74</td>
</tr>
<tr>
<td>Chile</td>
<td>74</td>
<td>64</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>64</td>
<td>50</td>
</tr>
<tr>
<td>Pacific Alliance</td>
<td>50</td>
<td>46</td>
</tr>
<tr>
<td>Colombia</td>
<td>46</td>
<td>43</td>
</tr>
<tr>
<td>Peru</td>
<td>43</td>
<td>37</td>
</tr>
<tr>
<td>Mexico</td>
<td>37</td>
<td></td>
</tr>
</tbody>
</table>

Credit Card Holders
Percentage of Adult Population

<table>
<thead>
<tr>
<th>Country</th>
<th>2011</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td></td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>83</td>
<td>66</td>
</tr>
<tr>
<td>Chile</td>
<td>66</td>
<td>30</td>
</tr>
<tr>
<td>Pacific Alliance</td>
<td>30</td>
<td>16</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Colombia</td>
<td>16</td>
<td>14</td>
</tr>
<tr>
<td>Peru</td>
<td>14</td>
<td>12</td>
</tr>
<tr>
<td>Mexico</td>
<td>12</td>
<td>10</td>
</tr>
</tbody>
</table>

Sources: IMF, World Bank, Scotiabank Economics
Upside for Growth in Banking Services

Opportunities

Bank Credit to the Non-Financial Sector
Percentage of GDP, 2018

<table>
<thead>
<tr>
<th>Country</th>
<th>Credit to Non-Financial Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>114</td>
</tr>
<tr>
<td>Chile</td>
<td>83</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>78</td>
</tr>
<tr>
<td>United States</td>
<td>51</td>
</tr>
<tr>
<td>Colombia</td>
<td>47</td>
</tr>
<tr>
<td>Pacific Alliance</td>
<td>47</td>
</tr>
<tr>
<td>Latam/Caribbean</td>
<td>46</td>
</tr>
<tr>
<td>Peru</td>
<td>37</td>
</tr>
<tr>
<td>Mexico</td>
<td>20</td>
</tr>
</tbody>
</table>

Long-Term Growth (or Potential GDP)
Percentage

<table>
<thead>
<tr>
<th>Country</th>
<th>Growth (or Potential GDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>7.2</td>
</tr>
<tr>
<td>Peru</td>
<td>4.5</td>
</tr>
<tr>
<td>Pacific Alliance</td>
<td>3.3</td>
</tr>
<tr>
<td>Chile</td>
<td>3.2</td>
</tr>
<tr>
<td>Colombia</td>
<td>3.1</td>
</tr>
<tr>
<td>Latam/Caribbean</td>
<td>2.8</td>
</tr>
<tr>
<td>Mexico</td>
<td>2.4</td>
</tr>
<tr>
<td>South Africa</td>
<td>2.2</td>
</tr>
<tr>
<td>United States</td>
<td>2.0</td>
</tr>
<tr>
<td>OECD</td>
<td>1.9</td>
</tr>
<tr>
<td>Brazil</td>
<td>1.8</td>
</tr>
<tr>
<td>Canada</td>
<td>1.6</td>
</tr>
</tbody>
</table>

Sources: BIS, IMF, World Bank, Scotiabank Economics

1 Latam corresponds to Brazil, Argentina, Ecuador and Uruguay. Caribbean countries are those where Scotiabank is present. For Caribbean countries, data correspond to total domestic credit.
Key Takeaways

1. Attractive long-term prospects
2. Strong long-run economic performance
3. Consistent improvement in standard of living
4. Better performance and more stability than other growth markets
5. Strong macroeconomic frameworks
6. Under-penetration of banking services
Appendix
PAC Fundamentals

Stable Employment and Low Inflation

Sources: IMF, S&P, Scotiabank Economics

GDP Growth
Percentage

Inflation
Percentage

Unemployment Rate
Percentage

Sources: IMF, S&P, Scotiabank Economics
Resilient Investment and Strong Consumption

**Investment**
Annual Percentage Growth

**Private Consumption**
Annual Percentage Growth

Sources: World Bank, Bloomberg, Scotiabank Economics
Economic Outlook and Implications for Banking

Jean-Francois Perrault
SVP and Chief Economist

Jorge Selaive
Chief Economist, Chile
Financial Update

Raj Viswanathan
Group Head and Chief Financial Officer
Delivering high quality and consistent earnings to achieve our medium-term objectives
Did You Know?

- Scotiabank is a Top 10\(^1\) Bank in the Americas
- 20-Year Total Annualized Shareholder Return of 12%

\(^1\) Bloomberg as measured by assets as of December 31, 2019
Higher Contribution from P&C Businesses

Earnings mix from P&C banking increased from 63% to 70%

1. Net income attributable to equity holders
2. Figures adjusted for Acquisition and divestiture-related amounts, including Day 1 PCL on acquired performing loans, integration and amortization costs related to current acquisitions, amortization of intangibles related to current and past acquisitions and losses/(gains) on divestitures and related costs
3. Excluding Other segment
Net income attributable to equity holders

Figures adjusted for Acquisition and divestiture-related amounts, including Day 1 PCL on acquired performing loans, integration and amortization costs related to current acquisitions, amortization of intangibles related to current and past acquisitions and losses/(gains) on divestitures and related costs

Six Core Markets (~75%)³ Six Core Markets (~85%)³

Americas (~80%) Americas (~95%)

1 Net income attributable to equity holders
2 Figures adjusted for Acquisition and divestiture-related amounts, including Day 1 PCL on acquired performing loans, integration and amortization costs related to current acquisitions, amortization of intangibles related to current and past acquisitions and losses/(gains) on divestitures and related costs
3 Six core Markets include Canada, US and the Pacific Alliance countries (PAC) of Mexico, Peru, Chile and Colombia

Focused on the Americas
## All-Bank Medium-Term Objectives

<table>
<thead>
<tr>
<th>Metrics</th>
<th>Objectives</th>
<th>3-Year Performance (2016-2019)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All-Bank</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPS Growth</td>
<td>7%+</td>
<td>+6%&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>ROE</td>
<td>14%+</td>
<td>14.5%&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td>Operating Leverage</td>
<td>Positive</td>
<td>Positive&lt;sup&gt;1,3&lt;/sup&gt;</td>
</tr>
<tr>
<td>Capital</td>
<td>Strong Levels</td>
<td>11.55%&lt;sup&gt;4&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

---

1 Reflects 3-year CAGR  
2 Reflects 3-year simple average  
3 Excluding the pension revaluation benefit gain in 2018 of $203 million pre-tax  
4 As of October 31, 2019 and pro-forma the announced divestitures
Repositioning is Substantially Complete

Simplified the Bank
- Exited over 20 non-core countries since 2013

Increased Earnings Quality
- Focused on six core markets that have high growth potential and which account for ~85% of earnings

De-Risking the Bank
- Improving credit quality metrics and generating higher mix of earnings from investment grade countries (eg. Reducing GILs by ~10%)
Closed Acquisitions

International Banking
- Banco del Progresso (Dominican Republic)
- BBVA Chile (Chile)
- Cencosud Peru (Peru)
- Citibank Colombia (Colombia)

Global Wealth Management
- Jarislowsky Fraser (Canada)
- MD Financial (Canada)

Significant Divestitures

International Banking
- Pensions (Dominican Republic)
- Caribbean Islands
- Pensions (Colombia)
- Puerto Rico & USVI
- Thanachart Bank (Thailand)
- El Salvador

Closing
Closed – Q2/19
Closed – Q4/19
Closed – Q1/20
Closed – Q1/20
Q1 2020 (est.)

Estimated to contribute ~$380 million to 2020 NIAT
Closing Divestiture Earnings Gap

Contributions from Acquisitions

Organic Earnings Growth

Ongoing Share Buybacks
## Estimated Impact of M&A in 2020

### Earnings ($MM)

<table>
<thead>
<tr>
<th></th>
<th>Acquisitions</th>
<th>Divestitures</th>
<th>GAP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>2020</td>
<td>2020</td>
</tr>
<tr>
<td>International Banking</td>
<td>~$140</td>
<td>~$220</td>
<td>~$(500)</td>
</tr>
<tr>
<td>Global Wealth Management</td>
<td>~$115</td>
<td>~$160</td>
<td>NM</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>~$255</strong></td>
<td><strong>~$380</strong></td>
<td><strong>~$(500)</strong></td>
</tr>
<tr>
<td><strong>Net</strong></td>
<td>~$125</td>
<td>~$(500)</td>
<td>~$(375)</td>
</tr>
</tbody>
</table>

All figures are approximate

### EPS

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>vs 2019</td>
<td>~$(0.30)</td>
</tr>
<tr>
<td>2019</td>
<td>~$ 0.10</td>
</tr>
<tr>
<td><strong>Buybacks</strong></td>
<td>~$</td>
</tr>
<tr>
<td><strong>Net</strong></td>
<td>~$(0.20)</td>
</tr>
</tbody>
</table>

---

10
Strong Internal Capital Generation

- Provides optionality
- Continued share buybacks
- Focusing on core markets

Maintain Strong Capital Ratios

Capital (2017-2019)

<table>
<thead>
<tr>
<th></th>
<th>Q4/17</th>
<th>Q4/19, Proforma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net earnings</td>
<td>230 bps</td>
<td>11.55%</td>
</tr>
<tr>
<td>Organic RWA growth</td>
<td>(110) bps</td>
<td>50%</td>
</tr>
<tr>
<td>Net M&amp;A</td>
<td>(85) bps</td>
<td>35%</td>
</tr>
<tr>
<td>Net share buybacks</td>
<td>(40) bps</td>
<td>20%</td>
</tr>
<tr>
<td>Other (including IFRS 9)</td>
<td>8 bps</td>
<td>(5%)</td>
</tr>
</tbody>
</table>

Net Earnings Usage
All-Bank Objectives

2020 Objectives

● Mid single digit organic EPS growth
● Continued share buybacks
● Deliver positive operating leverage
● Maintain stable credit ratios
● Maintain strong capital ratios

2020 vs 2019 EPS Growth

<table>
<thead>
<tr>
<th>Metric</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic Growth</td>
<td>~4%-5%</td>
</tr>
<tr>
<td>Net impact of M&amp;A</td>
<td>~(3)%</td>
</tr>
<tr>
<td>Growth net of M&amp;A</td>
<td>~2%</td>
</tr>
</tbody>
</table>

Figures adjusted for Acquisition and divestiture-related amounts, including Day 1 PCL on acquired performing loans, integration and amortization costs related to current acquisitions, amortization of intangibles related to current and past acquisitions and losses/(gains) on divestitures and related costs
All-Bank Medium-Term Objectives

- EPS Growth 7%+
- ROE 14%+
- Positive Operating Leverage
- Strong Capital Levels
Canadian Banking: High Quality, Stable Earnings

Dan Rees
Group Head, Canadian Banking
Our Top 3 position in Canada gives Scotiabank a foundation for stable revenue and earnings growth
Canada: Growing our Strength at Home

One in three Canadians banks with us

#1 in Retail Advice\(^1\)

#1 Mobile App Satisfaction\(^1\)

#1 Digital Bank in Canada

1 J.D. Power 2019
Current Snapshot of our Business

- **Customers**: 11 million
- **Employees**: 18,000
- **Branches**: ~950
- **Total NIAT\(^1\)**: $3.5 billion
- **Average Loans**: $337 billion
- **Average Deposits**: $242 billion

\(^1\) Adjusted; FY 2019
Solid Balance Sheet Growth

**Loans**
- 2016: 295
- 2019: 337
- CAGR: +5%

**Deposits**
- 2016: 204
- 2019: 242
- CAGR: +6%
Stable Credit Quality & Track Record

Provision for Credit Losses

<table>
<thead>
<tr>
<th></th>
<th>IAS 39</th>
<th>IFRS 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>24bps</td>
<td>24bps</td>
</tr>
<tr>
<td>2016</td>
<td>28bps</td>
<td>24bps</td>
</tr>
<tr>
<td>2017</td>
<td>30bps</td>
<td>29bps</td>
</tr>
<tr>
<td>2018</td>
<td>24bps</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Total PCL Ratio**

Gross Impaired Loans

<table>
<thead>
<tr>
<th></th>
<th>IAS 39</th>
<th>IFRS 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>36bps</td>
<td>30bps</td>
</tr>
<tr>
<td>2016</td>
<td>41bps</td>
<td>33bps</td>
</tr>
<tr>
<td>2017</td>
<td>33bps</td>
<td>31bps</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Total GIL Ratio**

1 Provision for credit losses on certain assets – loans, acceptances and off-balance sheet exposures
2 As a percentage of period end loans and acceptances
Focused on Growing Net Income

Adjusted Net Income

+6% CAGR

2016 3.0
2017 3.3
2018 3.6
2019 3.5
Lower Productivity Ratio

Productivity Ratio
Medium-Term Target: < 45%

Operating Leverage
Medium-Term Target: Positive

Adjusted
<table>
<thead>
<tr>
<th>Loans</th>
<th>Market Share</th>
<th>3-Year Change</th>
<th>Market Share Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate &amp; Secured Lending&lt;sup&gt;1&lt;/sup&gt;</td>
<td>17%</td>
<td>-21 bps</td>
<td>3</td>
</tr>
<tr>
<td>Unsecured Loans&lt;sup&gt;1&lt;/sup&gt;</td>
<td>19%</td>
<td>+15 bps</td>
<td>2</td>
</tr>
<tr>
<td>Credit Cards&lt;sup&gt;2&lt;/sup&gt;</td>
<td>9%</td>
<td>+46 bps</td>
<td>5</td>
</tr>
<tr>
<td>Business Loans&lt;sup&gt;3&lt;/sup&gt;</td>
<td>15%</td>
<td>+33 bps</td>
<td>5</td>
</tr>
<tr>
<td>Automotive&lt;sup&gt;1&lt;/sup&gt;</td>
<td>37%</td>
<td>-91 bps</td>
<td>1</td>
</tr>
<tr>
<td>Deposits</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail Deposits&lt;sup&gt;1&lt;/sup&gt;</td>
<td>18%</td>
<td>+1 bps</td>
<td>3</td>
</tr>
<tr>
<td>Business Deposits&lt;sup&gt;3&lt;/sup&gt;</td>
<td>16%</td>
<td>+73 bps</td>
<td>4</td>
</tr>
</tbody>
</table>

1 Canadian Bankers Association
2 The Nilson Report – March 2019; includes 20% share of Canadian Tire Financial Service outstanding balances
3 As disclosed externally by Big Five Banks – Q4 2019
Three Focus Areas for Growth

- **Invest to Grow Priority Businesses**
  - Focus on high ROE businesses
  - Invest in people, process and technology

- **Deepen Relationships and Improve Customer Experience**
  - Shift focus to now also include full household relationships
  - Excel in service and advice to retain and deepen relationships

- **Generate Growth through Unique Partnerships Assets and Initiatives**
  - Increased brand awareness, creating greater propensity to purchase.
  - Retain our best customers and gain access to new customers
Grow High ROE Segments in Business Banking

Keys to Success

- Expand our salesforce to close gap to peers in key, high-value markets.
- Focus more on deepening relationships via tailored and specialized advice
- Invest to further digitize and simplify sales, processes and platforms

Business Banking
Lending Market Share by Loan Size

<table>
<thead>
<tr>
<th>Loan Size</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; $100M</td>
<td>16%</td>
</tr>
<tr>
<td>$100M to $1MM</td>
<td>12%</td>
</tr>
<tr>
<td>$1MM to $5MM</td>
<td>10%</td>
</tr>
<tr>
<td>$5MM to $60MM</td>
<td>14%</td>
</tr>
</tbody>
</table>

1 Canadian Bankers Association Business Credit Report – June 2019
Deepen Relationships with Top Households

Our Deepest Relationships are **More Profitable**

Keys to Success

- Shift from opening bank accounts... to advising customers... to now winning the full banking needs of the entire household.
- Service a larger share of their entire banking needs
- Earn this business through trusted advice, great digital experience & consistent, faster, differentiated service
Generate Growth through Partnerships

Unique Assets with Extensive Reach

14 million hockey fans in Canada
11 million Raptors fans in Canada
10 million members\(^1\)
~72,000 physicians in the Canadian Medical Association
Over 300,000 women-led businesses in Canada\(^2\)

Keys to Success

- Increased brand awareness is channeling our assets to reach new markets
- Retain and grow with our best customers through a differentiated loyalty program
- Strong, long-term partnerships with deep and aligned business relationships
- Access valuable customer segments through diverse assets and converting into revenue-earning balances and fees

\(^1\) Cineplex Q2 2019 Quarterly Report
\(^2\) Statistics Canada
Canada’s Leading Digital Bank

- Over 2 million customers
- Top credit card\(^1\)
- #1 in customer satisfaction\(^2\)
- Ambition to double earnings and already ahead of schedule

Medium-Term Financial Objectives

- **15%+** Earnings CAGR
- **6%+** Deposits CAGR
- **10%+** Assets CAGR

---

1. J.D. Power 2019 Canada Credit Card Satisfaction Study
2. J.D. Power 2019 Canada Retail Banking Satisfaction Study – Mid Size Banks
Digital Generating Impact

Progress in our Core Metrics

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Digital Sales</strong>¹</td>
<td>13%</td>
<td>26%</td>
</tr>
<tr>
<td><strong>Digital Adoption</strong></td>
<td>33%</td>
<td>42%</td>
</tr>
<tr>
<td><strong>Branch Transactions</strong></td>
<td>19%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Digital Making an Impact

- Growing our digital capabilities to reflect changing customer behaviours and preferences
- Mobile represents our largest channel for financial transactions, surpassing online banking, which is also growing strongly
- Steady improvement in digital adoption and digital sales. Basic branch transactions are in decline, as planned, while branch advice activities continue strong growth

¹ Based on units sold
## Medium-Term Objectives

<table>
<thead>
<tr>
<th>Objective</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIAT Growth¹</td>
<td>5%+</td>
</tr>
<tr>
<td>Productivity Ratio</td>
<td>&lt;44%</td>
</tr>
<tr>
<td>Operating Leverage</td>
<td>Positive</td>
</tr>
</tbody>
</table>

¹ Adjusted Net income attributed to equity shareholders
Key Takeaways

1. Confident in the stability of the Canadian market and economy

2. Multiple revenue and expense opportunities to drive organic earnings growth

3. Thoughtfully shift customer strategies - especially for higher ROE businesses and deepening relationships across households
Canadian Banking: High Quality, Stable Earnings

Dan Rees
Group Head, Canadian Banking