Investor Presentation

Third Quarter 2020

August 25, 2020

Scotiabank

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 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; the emergence of widespread health emergencies or pandemics, including the magnitude and duration of the COVID-19 pandemic and its impact on the global economy and financial market conditions and the Bank's business, results of operations, financial condition and prospects; 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 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 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.

Q3/20 Financial Results

Raj Viswanathan
Group Head & CFO

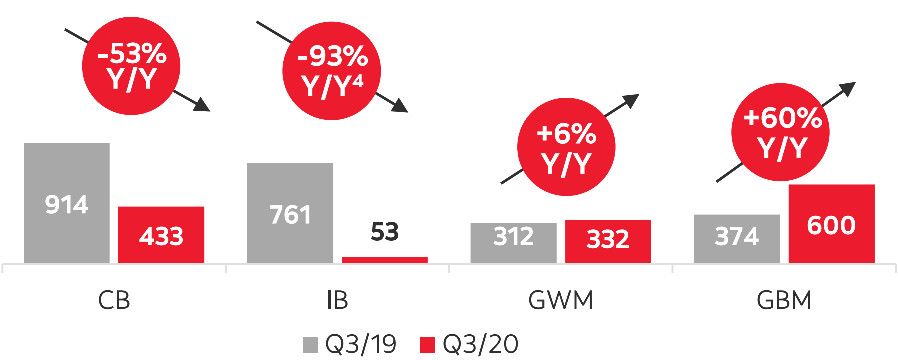
Q3 2020 Financial Performance

$MM, except EPS	Q3/20	Y/Y	Q/Q
Reported			
Net Income	$1,304	(34%)	(2%)
Pre-Tax, Pre Provision Profit	$3,716	+8%	+3%
Diluted EPS	$1.04	(31%)	+4%
Revenue	$7,734	1%	(3%)
Expenses	$4,018	(5%)	(8%)
Productivity Ratio	52.0%	(300 bps)	(280 bps)
Core Banking Margin	2.10%	(35 bps)	(25 bps)
PCL Ratio[1]	136 bps	+88 bps	+17 bps
PCL Ratio on Impaired Loans[1]	58 bps	+6 bps	+2 bps
Adjusted[2]			
Net Income	$1,308	(47%)	(5%)
Pre-Tax, Pre Provision Profit	$3,738	(3%)	+2%
Diluted EPS	$1.04	(45%)	-
Revenue	$7,689	(3%)	(3%)
Expenses	$3,951	(4%)	(8%)
Productivity Ratio	51.4%	(30 bps)	(260 bps)

YEAR-OVER-YEAR HIGHLIGHTS

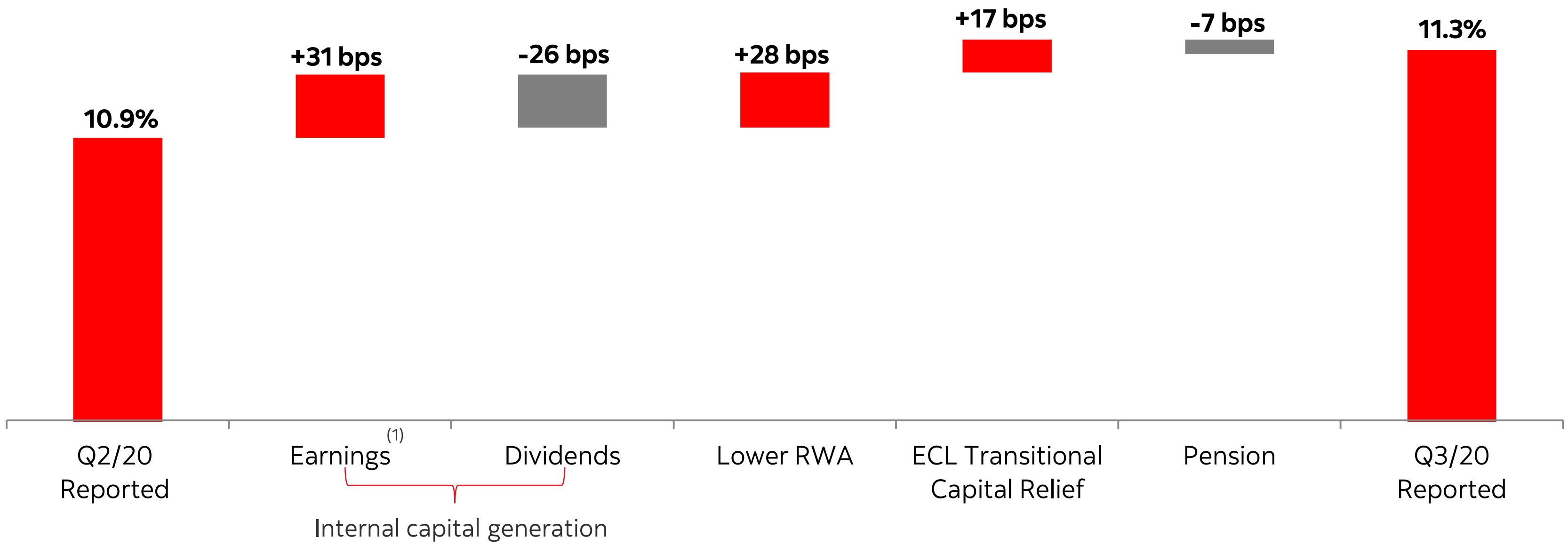
- Adjusted EPS down 45%[2]
- Pre-tax, pre-provision profit (PTPP) down 3%[2], up 2% excluding divestitures
- Adjusted Revenue down 3%[2] or flat excluding impact of divestitures
- Core banking NIM down 35 basis points
  - o Excess balance sheet liquidity and margin compression in business lines
- Adjusted Expenses declined 4%[2] or -1.6% excluding impact of divestitures
- YTD PTPP up 7%[2] ex. divestitures
- Adjusted YTD operating leverage of -0.5%[2], +1.1%[2] excluding divestitures

ADJUSTED NET INCOME[3] BY BUSINESS SEGMENT ($MM)



[1] Provision for credit losses on certain assets – loans, acceptances and off-balance sheet exposures
[2] Refer to Non-GAAP Measures on slide 45 for adjusted results
[3] After non-controlling interests
[4] Y/Y growth rate is on a constant dollars basis

Strong Capital & Liquidity



- CET1 ratio 230 bps above OSFI minimum capital standard (versus 190 bps in Q2 2020)
  - +10 bps Y/Y, +40 bps Q/Q
- Lower risk-weighted assets (RWA) driven by repayments on corporate loan facilities and reductions in counterparty credit risk and credit valuation adjustment capital requirements
- LCR ratio of 141%

[1] Net Income Available to Equity Holders

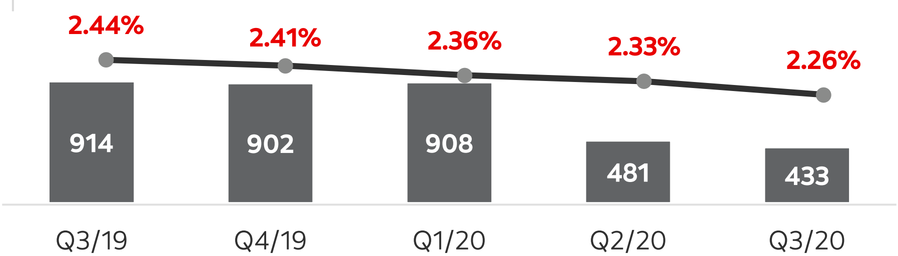
Canadian Banking

$MM	Q3/20	Y/Y	Q/Q
Reported			
Net Income[1]	$429	(53%)	(10%)
Pre-Tax, Pre Provision Profit	$1,328	(10%)	+2%
Revenue	$2,500	(6%)	(1%)
Expenses	$1,172	(2%)	(4%)
PCLs	$752	+212%	+12%
Productivity Ratio	46.9%	+210 bps	(140 bps)
Net Interest Margin	2.26%	(18 bps)	(7 bps)
PCL Ratio[2]	0.85%	+57 bps	+8 bps
PCL Ratio Impaired Loans[2]	0.36%	+6 bps	0 bps
Adjusted[3]			
Net Income[1]	$433	(53%)	(10%)
Pre-Tax, Pre Provision Profit	$1,333	(10%)	+2%
Expenses	$1,167	(2%)	(4%)
PCLs	$752	+212%	+12%
Productivity Ratio	46.7%	+210 bps	(140 bps)
PCL Ratio[2]	0.85%	+57 bps	+8 bps
PCL Ratio Impaired Loans[2]	0.36%	+6 bps	0 bps

YEAR-OVER-YEAR HIGHLIGHTS

- **Adjusted Net Income down 53%[3]**
  - PCLs up 212%; mainly from performing loan PCLs
  - Adjusted expenses down 2%[3]
  - Strong volume growth and lower expenses offset by lower net interest income and non-interest income
- **Revenue down 6%**
  - Net interest income down 4%; margin compression
  - Non-interest income down 13%; lower economic activity
- **Loan growth of 5%**
  - Residential mortgages up 6%; credit card loans down 13%
  - Business loans up 10%
- **Deposit growth of 10%**
- **NIM down 18 bps**

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] Refer to Non-GAAP Measures on slide 45 for adjusted results

International Banking

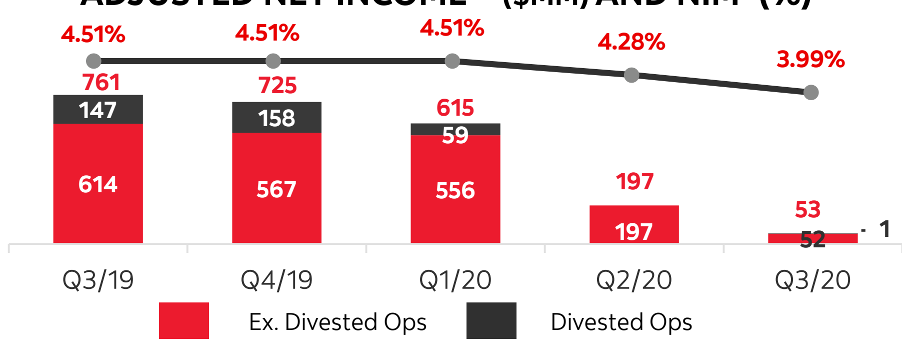
$MM[1]	Q3/20	Y/Y	Q/Q
Reported			
Net Income[2]	$26	(96%)	(85%)
Pre-Tax, Pre Provision Profit	$1,180	(21%)	(4%)
Revenue	$2,570	(16%)	(4%)
Expenses	$1,390	(11%)	(4%)
PCLs	$1,278	189%	27%
Productivity Ratio	54.1%	+260 bps	-
Net Interest Margin[3]	3.99%	(52 bps)	(29 bps)
PCL Ratio[4]	3.33%	+208 bps	+55 bps
PCL Ratio Impaired Loans[4]	1.49%	+12 bps	+4 bps
Adjusted[5]			
Net Income[2]	$53	(93%)	(73%)
Net Income – Ex Divested Ops.[2]	$52	(91%)	(73%)
Pre-Tax, Pre Provision Profit	$1,226	(21%)	(4%)
Expenses	$1,344	(11%)	(4%)
PCLs	$1,278	189%	27%
Productivity Ratio	52.3%	+250 bps	(20 bps)
PCL Ratio[4]	3.33%	+208 bps	+55 bps
PCL Ratio Impaired Loans[4]	1.49%	+12 bps	+4 bps

[1] Y/Y and Q/Q growth rates (%) are on a constant dollars basis, while metrics and change in bps are on a reported basis
[2] Attributable to equity holders of the Bank
[3] Net Interest Margin is on a reported basis
[4] Provision for credit losses on certain assets – loans, acceptances and off-balance sheet exposures
[5] Refer to Non-GAAP Measures on slide 45 for adjusted results

YEAR-OVER-YEAR HIGHLIGHTS[1]

- **Adjusted Net Income ex. divestitures down 91%[2,5]. Excluding divested operations:**
  - PCLs up 187%; mainly from performing loan PCLs
  - Strong loan growth of 13% and deposits growth 11%
- **Revenues ex. divestitures down 8%**
  - Margin compression and lower non-interest income
  - PAC revenues down 5%
- **NIM down 52 bps[3]**
  - Mainly driven by excess balance sheet liquidity, business mix changes and central bank rate cuts
- **Adjusted Expenses ex. divestitures down 6%[5]**
  - Acquisition synergies and good cost control
- **Adjusted YTD operating leverage of -0.8%[5] ex. divestitures**

ADJUSTED NET INCOME[2,5] ($MM) AND NIM[3] (%)



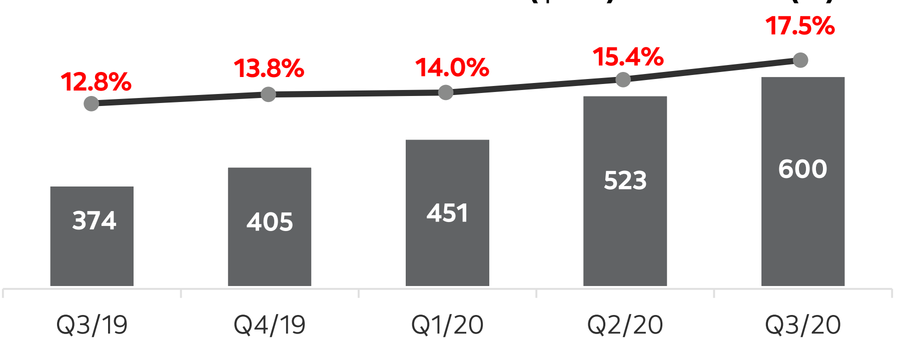
Global Banking and Markets

$MM	Q3/20	Y/Y	Q/Q
Reported			
Net Income[1]	$600	+60%	+15%
Pre-Tax, Pre Provision Profit	$925	+88%	+10%
Revenue	$1,545	+43%	+6%
Expenses	$620	+5%	1%
PCLs	$149	N/A	(4%)
Productivity Ratio	40.1%	(1,460 bps)	(210 bps)
PCL Ratio[2]	0.50%	+51 bps	-4 bps
PCL Ratio Impaired Loans[2]	0.13%	+14 bps	+4 bps

YEAR-OVER-YEAR HIGHLIGHTS

- **Net Income up 60%**
  - Continued strong trading and investment banking revenues
- **Revenue up 43%**
  - Non-interest income up 57%
  - Net Interest income up 11%
- **Loans grew 18% and Deposits up 46%**
- **Expenses up 5%**
- **Improved productivity ratio by 1,460 bps**
- **Positive YTD operating leverage of 26%**
- **PCL ratio[2] of 50 bps**

ADJUSTED NET INCOME[1,3] ($MM) AND ROE[3] (%)



[1] Attributable to equity holders of the Bank
[2] Provision for credit losses on certain assets – loans, acceptances and off-balance sheet exposures
[3] Refer to Non-GAAP Measures on slide 45 for adjusted results

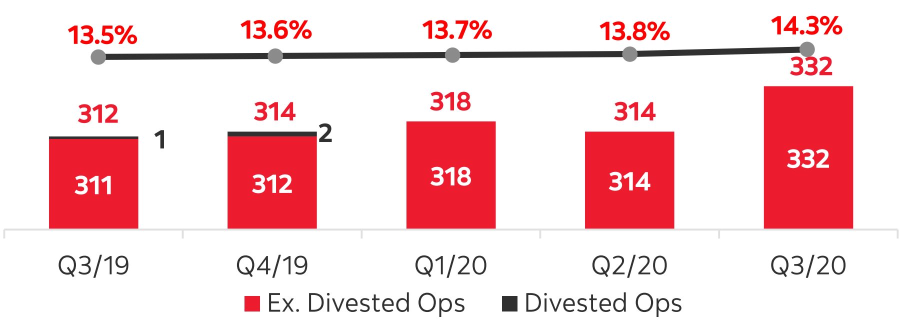
Global Wealth Management

$MM, except AUM/AUA	Q3/20	Y/Y	Q/Q
Reported			
Net Income[1]	$321	+6%	+6%
Pre-Tax, Pre Provision Profit	$435	+5%	+6%
Revenue	$1,135	-	+1%
Expenses	$700	(3%)	(2%)
PCLs	$1	N/A	N/A
Productivity Ratio	61.7%	(170 bps)	(170 bps)
AUM ($B)	$293	(1%)	+6%
AUA($B)	$503	+2%	+5%
Adjusted[2]			
Net Income[1]	$332	+6%	+6%
Pre-Tax, Pre Provision Profit	$450	+5%	+5%
Expenses	$685	(3%)	(2%)
PCLs	$1	N/A	N/A
Productivity Ratio	60.3%	(190 bps)	(160 bps)

YEAR-OVER-YEAR HIGHLIGHTS

- **Adjusted Net Income up 6%[2]**
- **Revenue up 2% excluding divestitures**
  - Higher brokerage fees from strong iTRADE volumes
  - Strong retail mutual fund net sales
- **Adjusted Expenses down 3%[2]**
- **Adjusted YTD operating leverage of +2.4%[2], excluding divestitures**
  - Third consecutive quarter with positive operating leverage
- **Adjusted productivity ratio[2] improved 190bps**
- **Excluding divestitures, AUM up 4% and AUA up 6%**
  - Driven by market recovery from prior quarter and strong net sales

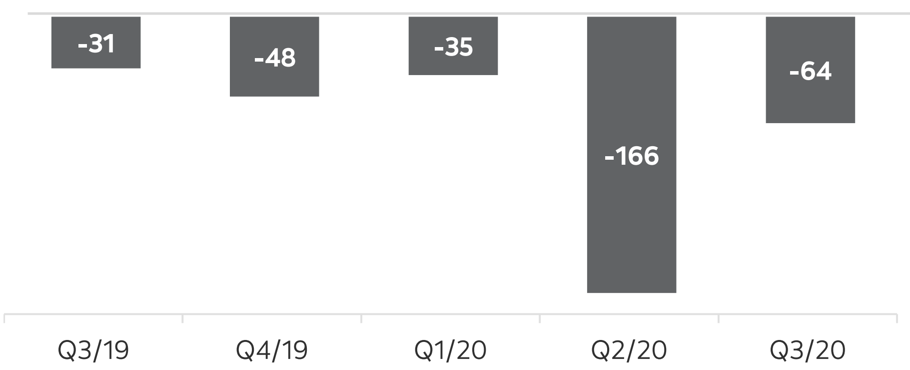
ADJUSTED NET INCOME[1,2] ($MM) AND ROE[2] (%)



[1] Attributable to equity holders of the Bank
[2] Refer to Non-GAAP Measures on slide 45 for adjusted results

Other

ADJUSTED NET INCOME[1, 2, 3] ($MM)



YEAR-OVER-YEAR HIGHLIGHTS

- Higher expenses partly offset by higher contributions from asset/liability management activities

QUARTER-OVER-QUARTER HIGHLIGHTS

- Included higher operating expenses relating to provisions for metals investigations

[1] Represents smaller operating segments including Group Treasury and corporate adjustments
[2] Attributable to equity holders of the Bank
[3] Refer to Non-GAAP Measures on slide 45 for adjusted results

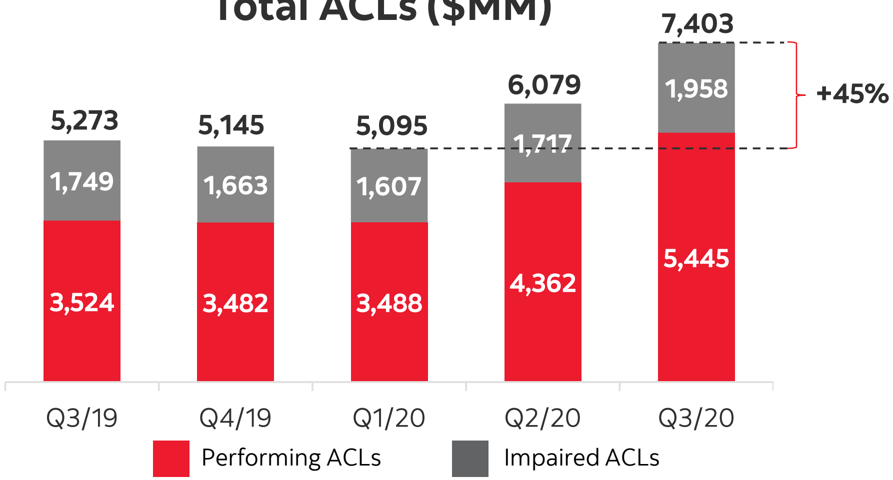
Risk Review

Daniel Moore
Group Head & CRO

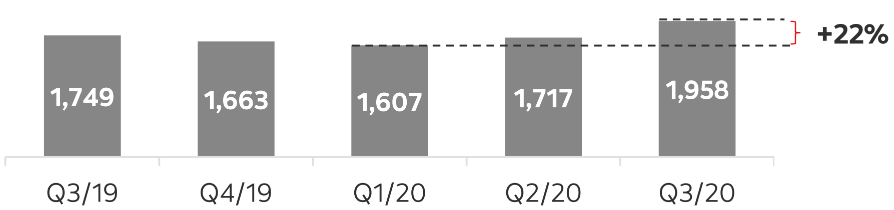
Well Provisioned

- $7.4 billion in total ACLs
- 56% increase ($2 billion) in performing ACLs over the past 2 quarters.
- Adequate coverage for future net write-offs

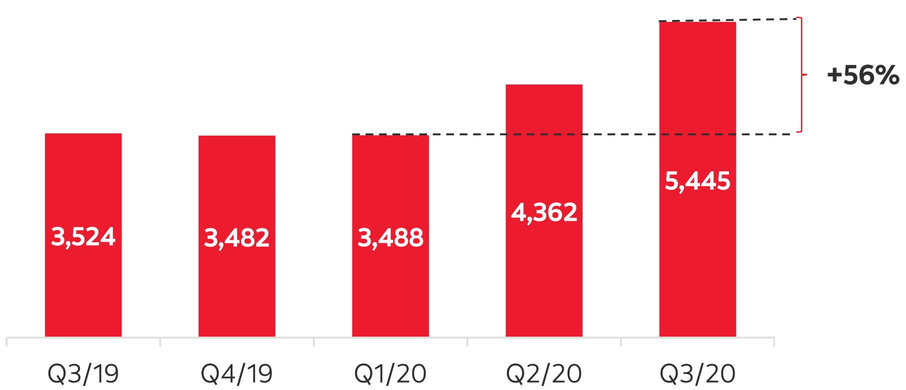
Total ACLs ($MM)



Total Impaired ACLs ($MM)[1]



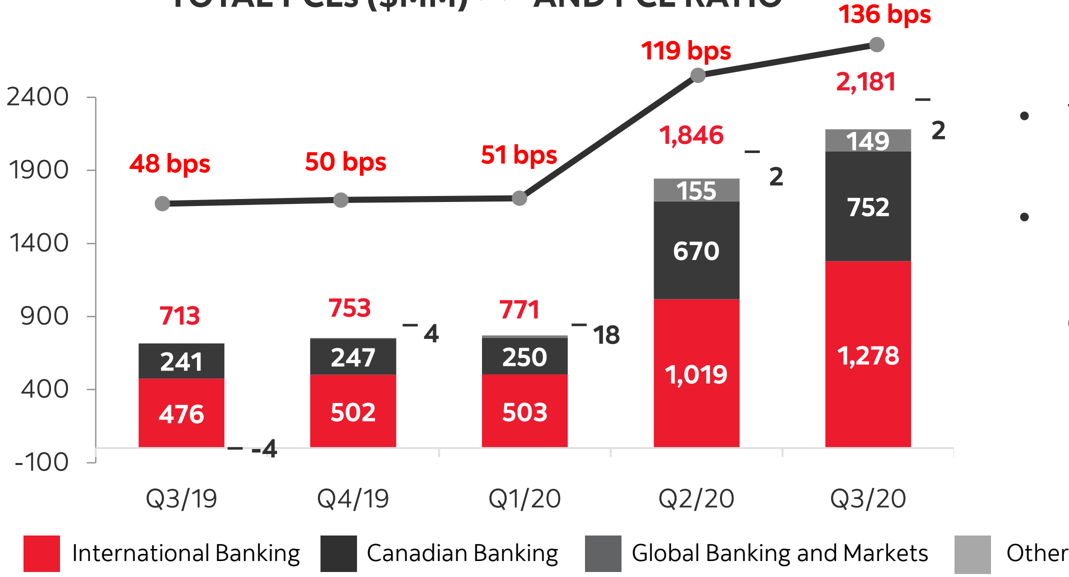
Total Performing ACLs ($MM)



[1] Includes allowances for credit losses on Off-Balance Sheet exposures and acceptances, debt securities and deposits with financial institutions

PCLs by Business Line

TOTAL PCLs ($MM)[1, 2, 3] AND PCL RATIO[2]



YEAR-OVER-YEAR HIGHLIGHTS

- Total PCL ratio[2] of 136 bps, up 17 bps Q/Q, and up 88 bps Y/Y
- Higher PCL rates primarily due to higher performing loan PCL related to COVID-19, unfavourable macroeconomic outlook and estimated impact of future credit migration

PCL Ratio by Business Line (bps)	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20
Canadian Banking	28[4]	28	28[2]	77	85
International Banking	125[4]	135[4]	136[2,4]	278[4]	333
Global Wealth Management	-	-	-	6	4[4]
Global Banking and Markets	-1	2[4]	7[2]	54	50[4]
All Bank[4]	**48**	**50**	**51[2]**	**119**	**136**

[1] Includes provision for credit losses on debt securities and deposit with banks of $nil million in Canadian Banking (Q3/19: -$1 million), $nil million in International Banking (Q3/19: $1 million, Q4/19: -$3 million, Q1/20: -$1 million, Q2/20: $1 million), $1 million in Global Banking and Markets (Q4/19: -$1 million) and -$1 million in Other (Q4/19: $1 million, Q1/20: $1 million , Q2/20: -$2 million)
[2] Refer to Non-GAAP Measures on slide 45 for adjusted results
[3] Other includes provisions for credit losses in Global Wealth Management of $1 million (Q3/19: -$1 million, Q1/20: $1 million , Q2/20: $2 million)
[4] Excludes provision for credit losses on debt securities and deposit with banks

PCLs - Impaired and Performing

PCLs ($MM)	Q3/19	Q4/19	Q1/20[2]	Q2/20	Q3/20
All-Bank					
Impaired	776	744	802	870	928
Performing	(63)[1]	9[1]	(31)[1]	976[1]	1,253[1]
Total	**713**[1]	**753**[1]	**771**[1]	**1,846**[1]	**2,181**[1]
Canadian Banking					
Impaired	257	255	258	313	317
Performing	(16)[1]	(8)	(8)	357	435
Total	**241**[1]	**247**	**250**	**670**	**752**
International Banking					
Impaired	522	477	508	531	573
Performing	(46)[1]	25[1]	(5)[1]	488[1]	705
Total	**476**[1]	**502**[1]	**503**[1]	**1,019**[1]	**1,278**
Global Wealth Management					
Impaired	(1)	-	-	1	-
Performing	-	-	-	1	1[1]
Total	**(1)**	**-**	**-**	**2**	**1**[1]
Global Banking and Markets					
Impaired	(2)	12	36	25	38
Performing	(2)	(8)[1]	(18)	130	111[1]
Total	**(4)**	**4**[1]	**18**	**155**	**149**[1]
Other (Performing)	**1**	**-**[1]	**-**[1]	**-**[1]	**1**

YEAR-OVER-YEAR HIGHLIGHTS

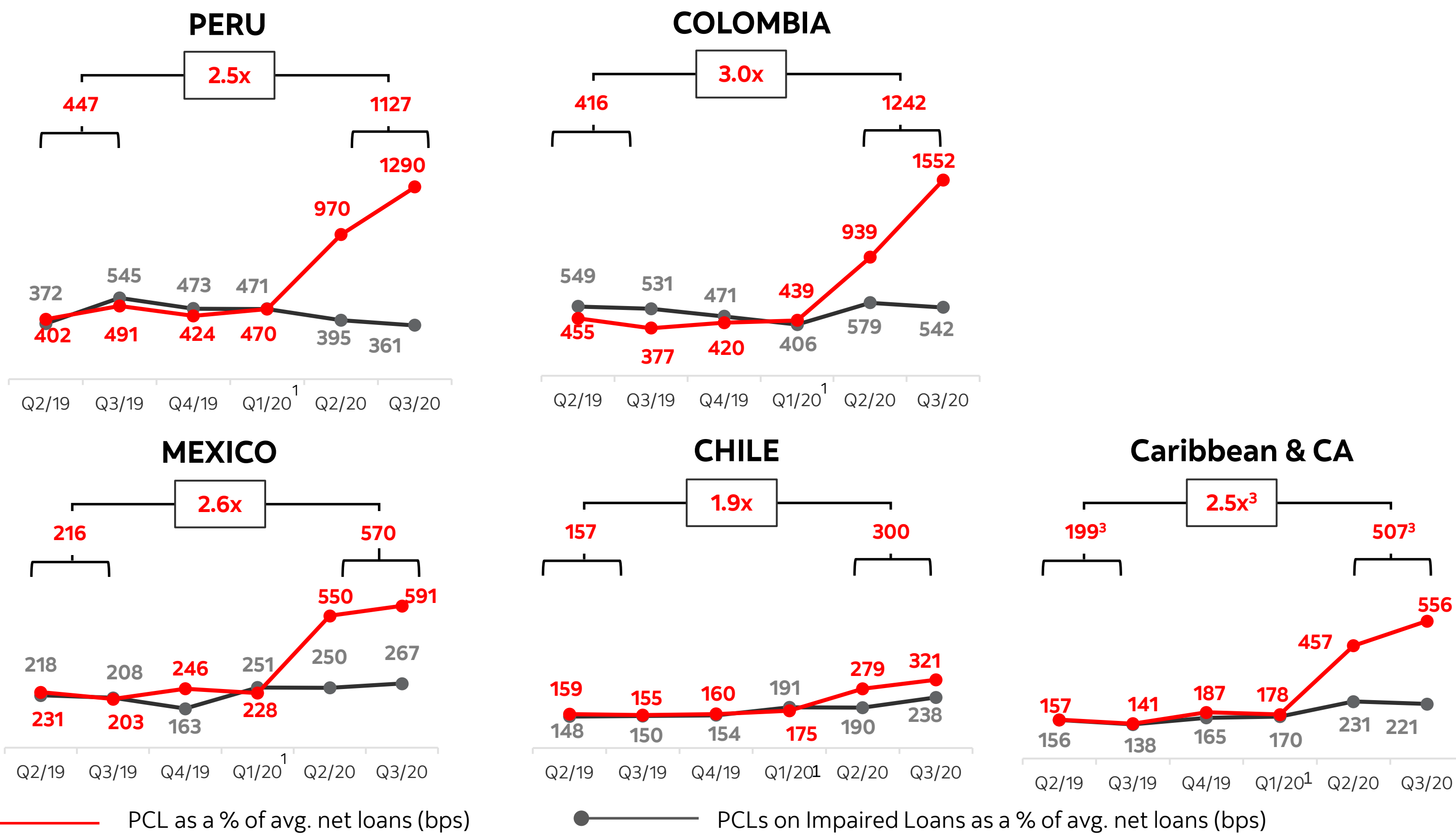
- Higher PCLs driven mainly by higher performing PCL. Total PCLs[1] of $2,181 million were up 206% Y/Y and up 18% Q/Q
  - Performing PCLs of $1,253 million versus a recovery of $63 million last year driven by COVID-19 and its estimated impact of credit migration
  - Impaired PCLs of $928 million up 20% Y/Y reflecting higher impaired PCL in Canadian Banking, Global Banking and Markets and International Banking

[1] Includes provision for credit losses on debt securities and deposit with banks of $nil million in Canadian Banking (Q3/19: -$1 million), $nil million in International Banking (Q3/19: $1 million, Q4/19: -$3 million, Q1/20: -$1 million, Q2/20: $1 million), -$1 million in Global Wealth Management, $1 million in Global Banking and Markets (Q4/19: -$1 million) and $nil million in Other (Q4/19: $1 million, Q1/20: $1 million , Q2/20: -$2 million)
[2] Refer to Non-GAAP Measures on slide 45 for adjusted results

International Retail: Loans and Provisions

Markets with Greater Weighting to Unsecured

Markets with Greater Weighting to Secured



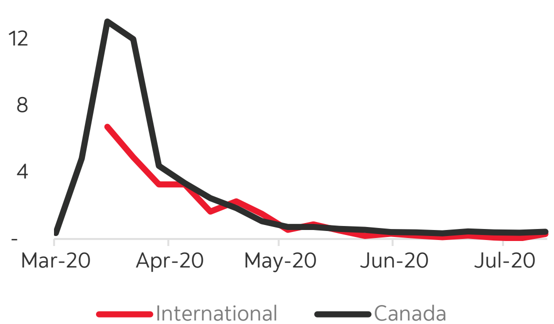
Loan Balances Q3/20	Mexico	Peru	Chile	Colombia	Caribbean & CA	Total[2]
Secured ($B)	$10	$4	$20	$2	$10	$46
Unsecured ($B)	$2	$6	$6	$5	$3	$22
Spot Total ($B)	**$12**	**$10**	**$26**	**$7**	**$13**	**$68**

[1] PCL excludes impact of additional pessimistic scenario
[2] Total includes other smaller portfolios
[3] Excludes impact of divested operations

Customer Assistance Programs

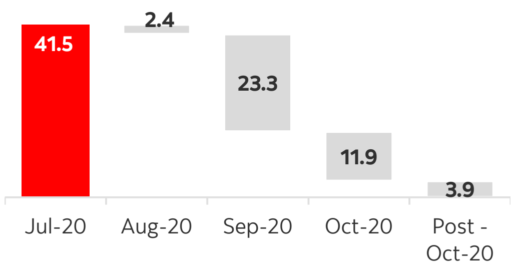
Product Types	Active Deferral Requests [1]		Active Total Exposure[1]		% Deferral Exposure Expired [1]	Expiring Deferral Exposure in Q4/20[1]		% Current following Deferral Expiry[1,2]
	#('000s)	%	($B)	%		($B)	%	
Canada								
Mortgages	137	58.1%	$39.0	94.0%	*10.8%*	$35.3	90.6%	*99.4%*
Credit Cards	33	13.9%	$0.2	0.4%	*66.9%*	$0.2	100.0%	*94.4%*
Personal Loans	66	28.0%	$2.3	5.6%	*57.4%*	$2.1	91.2%	*93.2%*
Total/*Average*	***236***	***100.0%***	***$41.5***	***100.0%***	***16.5%***	***$37.6***	***90.7%***	***96.3%***
International								
Mortgages	99	4.3%	$9.4	52.0%	*24.1%*	$8.0	85.3%	*90.6%*
Credit Cards	1,504	64.5%	$3.5	19.5%	*16.9%*	$3.2	90.2%	*86.8%*
Personal Loans	727	31.2%	$5.2	28.5%	*37.3%*	$5.0	97.0%	*89.5%*
Total/*Average*	***2,330***	***100.0%***	***$18.1***	***100.0%***	***27.3%***	***$16.2***	***89.6%***	***88.8%***

Weekly Deferral Requests Granted ($B)[1]

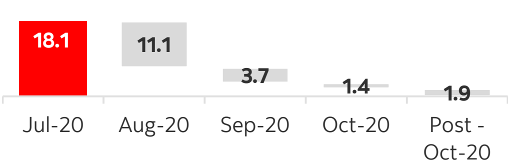


Deferral Expiry Schedule ($B)[1]

Canadian Banking



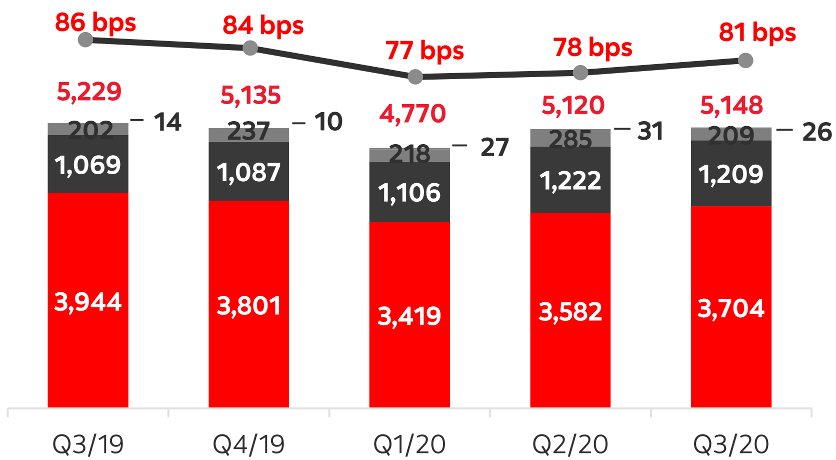
International Banking



[1] As at July 31, 2020
[2] Canadian payments % includes accounts that have not yet completed first billing cycle since expiring

GILs and GIL Formations by Business Line

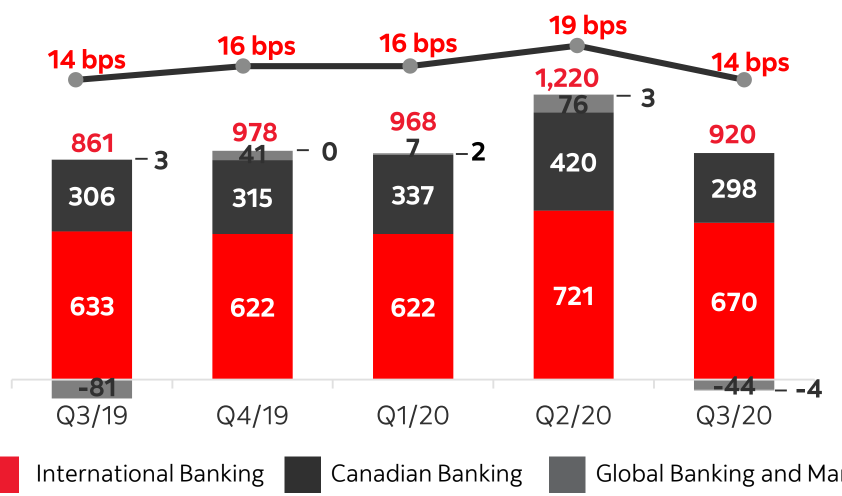
GILs[2] ($MM) AND GILs RATIO[1, 2]



YEAR-OVER-YEAR HIGHLIGHTS

- GILs increased 1% Q/Q but declined 2% Y/Y
  - GILs ratio up 3 bps Q/Q and down 5 bps Y/Y primarily due to International Banking
- Net formations decreased 25% Q/Q and were up 7% Y/Y

NET FORMATIONS[2] ($MM) AND NET FORMATIONS RATIO[1,2]

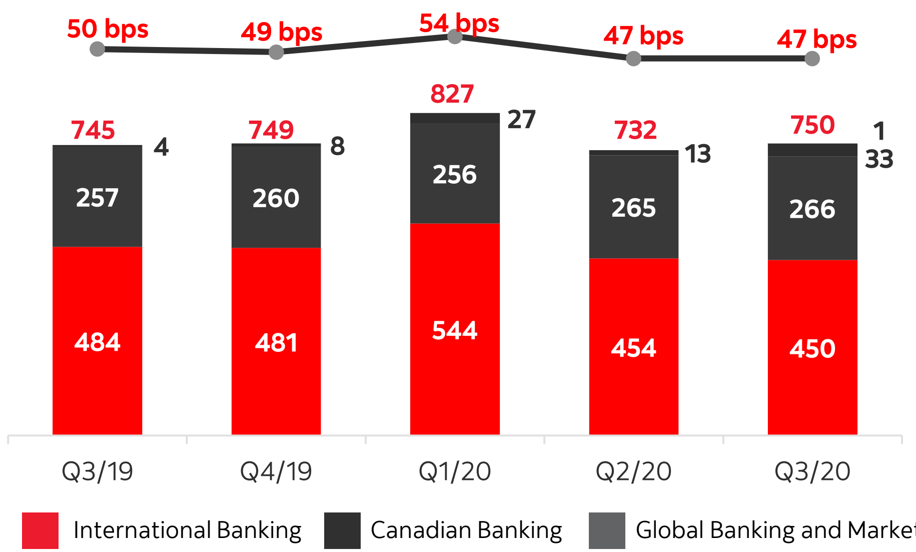


GILs Ratio (bps)[1, 2]	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20
Canadian Banking	31	31	31	34	34
International Banking	258	253	230	229	242
Global Banking and Markets	19	23	20	22	18
Global Wealth Management	8	8	21	23	18
All Bank	**86**	**84**	**77**	**78**	**81**

[1] As a percentage of period end loans and acceptances
[2] Prior to Q1/20, amounts for Global Wealth Management Retail were included in Canadian Banking Retail

Net Write-Offs by Business Line

NET WRITE-OFFS ($MM)[1,2] AND NET WRITE-OFFS RATIO[1,2,3]



YEAR-OVER-YEAR HIGHLIGHTS

- Net write-offs[1] were up 2% Q/Q and up 1% Y/Y
  - Higher write-offs in Global Banking and Markets offset by lower write-offs in International Banking
- Net write-offs ratio flat Q/Q and down 3 bps Y/Y

Net Write-Off Ratio by Business Line (bps)[1,2,3]	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20
Canadian Banking	30	30	29	31	30
International Banking	127	128	147	124	117
Global Banking and Markets	1	3	11	4	11
Global Wealth Management	-	-	-	-	2
All Bank	**50**	**49**	**54**	**47**	**47**

[1] Net write-offs are net of recoveries
[2] Prior to Q1/20, amounts for Global Wealth Management Retail were included in Canadian Banking Retail
[3] As a percentage of average net loans and acceptances

Key Messages

Brian Porter
President & CEO

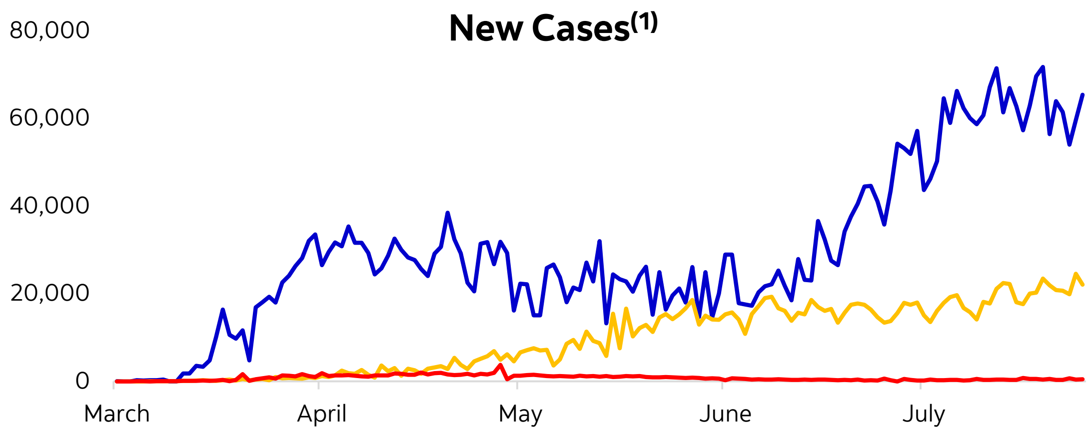
High quality portfolio

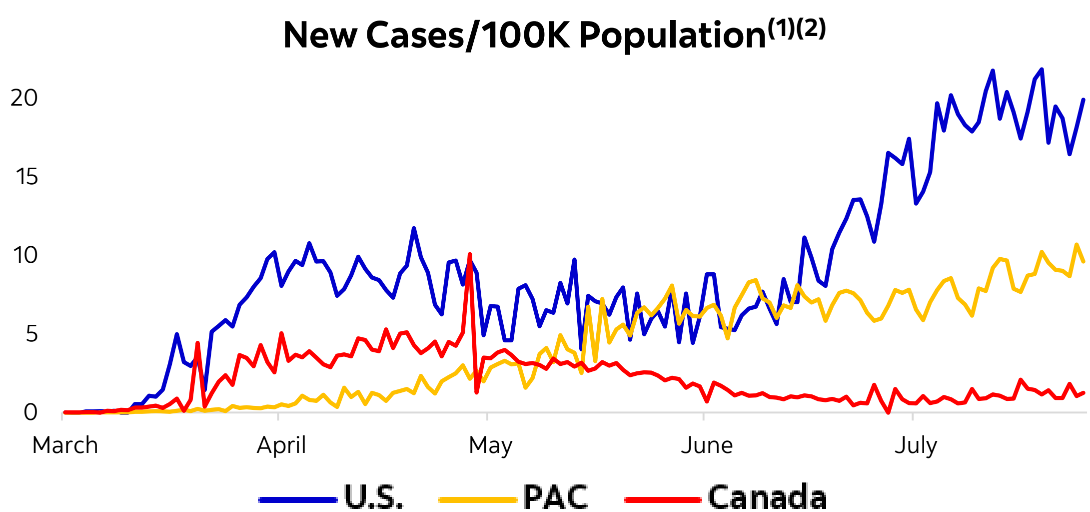
Well provisioned for potential credit losses

Resilient capital ratios

Strong expense management

COVID-19 in Core Markets





[1] Source: World Health Organization, John Hopkins University & Medicine (up to July 31, 2020)
[2] Source: World Bank 2017-2019

COVID-19: Pacific Alliance

Mexico

Economic Outlook GDP Growth – Current Forecast (Previous Forecast)

- ***2020:*** -9.1% (-8.4%). ***2021:*** +3.1% (+1.1%)

COVID-19 New Case Trend:
COVID-19 Restrictions:

Travel Restrictions:	Event Restrictions:	School Closures:	Quarantine Measures:	Curfew Restrictions:
No	Some	Yes	No	Some

Fiscal & Financial Support: 0.8% of GDP
Key Measures: Liquidity programs, customer assistance programs, small business and sector-specific programs.

Peru

Economic Outlook GDP Growth – Current Forecast (Previous Forecast)

- ***2020:*** -11.5% (-9.0%). ***2021:*** +8.7% (+7.0%)

COVID-19 New Case Trend:
COVID-19 Restrictions:

Travel Restrictions:	Event Restrictions:	School Closures:	Quarantine Measures:	Curfew Restrictions:
Yes	Yes	Yes	Yes	Some

Fiscal & Financial Support: 7.0% of GDP
Key Measures: Liquidity programs, retirement savings withdrawals, loan guarantees, customer assistance programs, tax holidays.

Chile

Economic Outlook GDP Growth – Current Forecast (Previous Forecast)

- ***2020:*** -6.0% (-4.5%). ***2021:*** +4.4% (+2.9%)

COVID-19 New Case Trend:
COVID-19 Restrictions:

Travel Restrictions:	Event Restrictions:	School Closures:	Quarantine Measures:	Curfew Restrictions:
Yes	Yes	Yes	Yes	Yes

Fiscal & Financial Support: 19.3% of GDP
Key Measures: Liquidity programs, customer assistance programs, loan guarantees, tax holidays, employment programs.

Colombia

Economic Outlook GDP Growth – Current Forecast (Previous Forecast)

- ***2020:*** -7.5% (-2.9%). ***2021:*** +5.0% (+3.6%)

COVID-19 New Case Trend:
COVID-19 Restrictions:

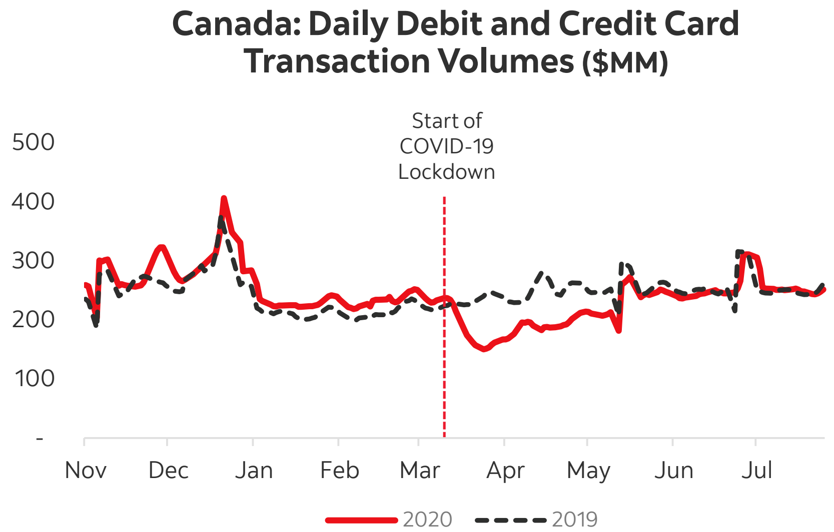
Travel Restrictions:	Event Restrictions:	School Closures:	Quarantine Measures:	Curfew Restrictions:
Yes	Yes	Yes	Yes	Some

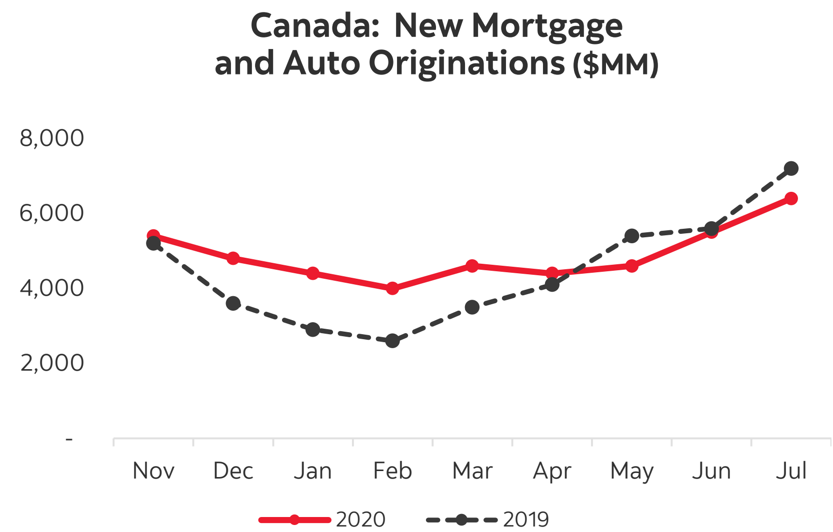
Fiscal & Financial Support: 3.9% of GDP
Key Measures: Liquidity programs, customer assistance programs, loan guarantees, tax holidays, small business programs.

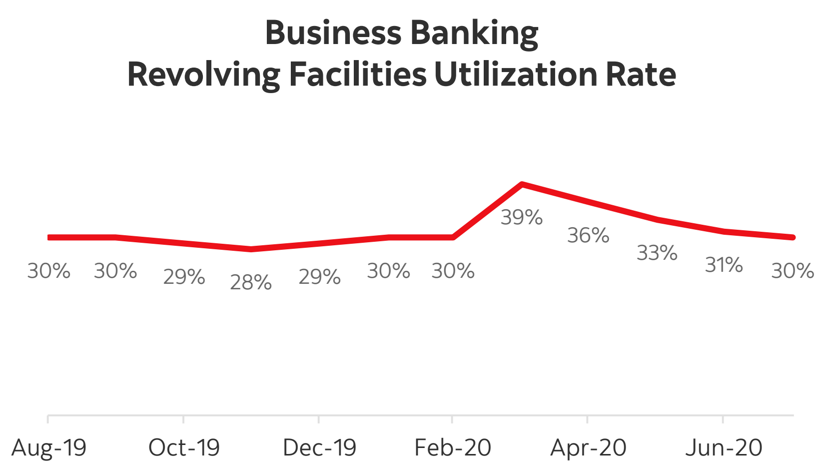
Legend: Comprehensive Partial Minor/None

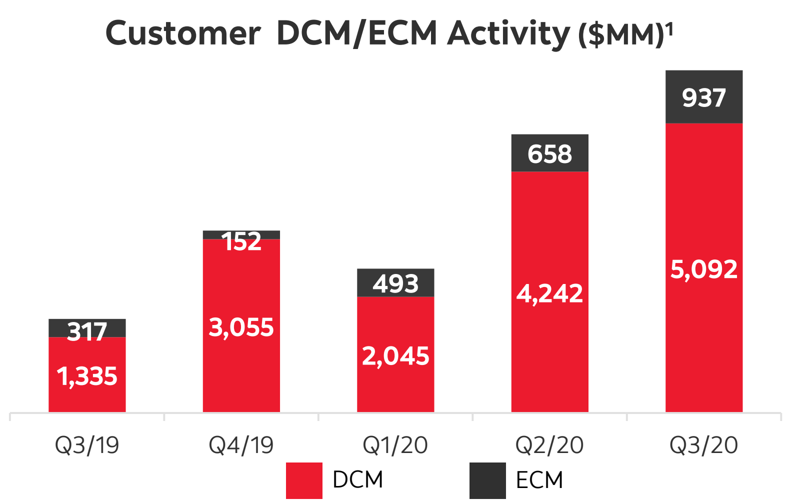
Source: Scotiabank Economics.

Scotiabank Customer Activity









[1] Canadian debt and equity capital markets issuance activity

Appendix

Economic Outlook in Core Markets

Real GDP Growth Forecast (2019 – 2021)

Real GDP (Annual % Change)

Country	2010–18 Average	2019	Forecast 2020F Previous[1]	Forecast 2020F Current[2]	Forecast 2021F Previous[1]	Forecast 2021F Current[2]
Canada	2.2	1.7	-9.1	-6.6 ↑	6.5	5.4 ↓
U.S.	2.3	2.3	-6.3	-4.7 ↑	7.0	5.4 ↓
Mexico	3.0	-0.3	-8.4	-9.1 ↓	1.1	3.1 ↑
Peru	4.8	2.2	-9.0	-11.5 ↓	7.0	8.7 ↑
Chile	3.6	1.1	-4.5	-6.0 ↓	2.9	4.4 ↑
Colombia	3.8	3.3	-2.9	-7.5 ↓	3.6	5.0 ↑
PAC Average	**3.8**	**1.6**	**-6.2**	**-8.5** ↓	**3.7**	**5.3** ↑

Source: Scotiabank Economics.
[1] Forecasts as of April 17, 2020 for Canada; Forecasts as of May 16, 2020 for U.S., Mexico, Peru, Chile, and Colombia
[2] Forecasts as of August 4, 2020 for Canada; Forecasts as of August 8, 2020 for U.S., Mexico, Peru, Chile, and Colombia

Macroeconomic Scenarios

Select Macroeconomic Variables that Impact Expected Credit Loss Calculations

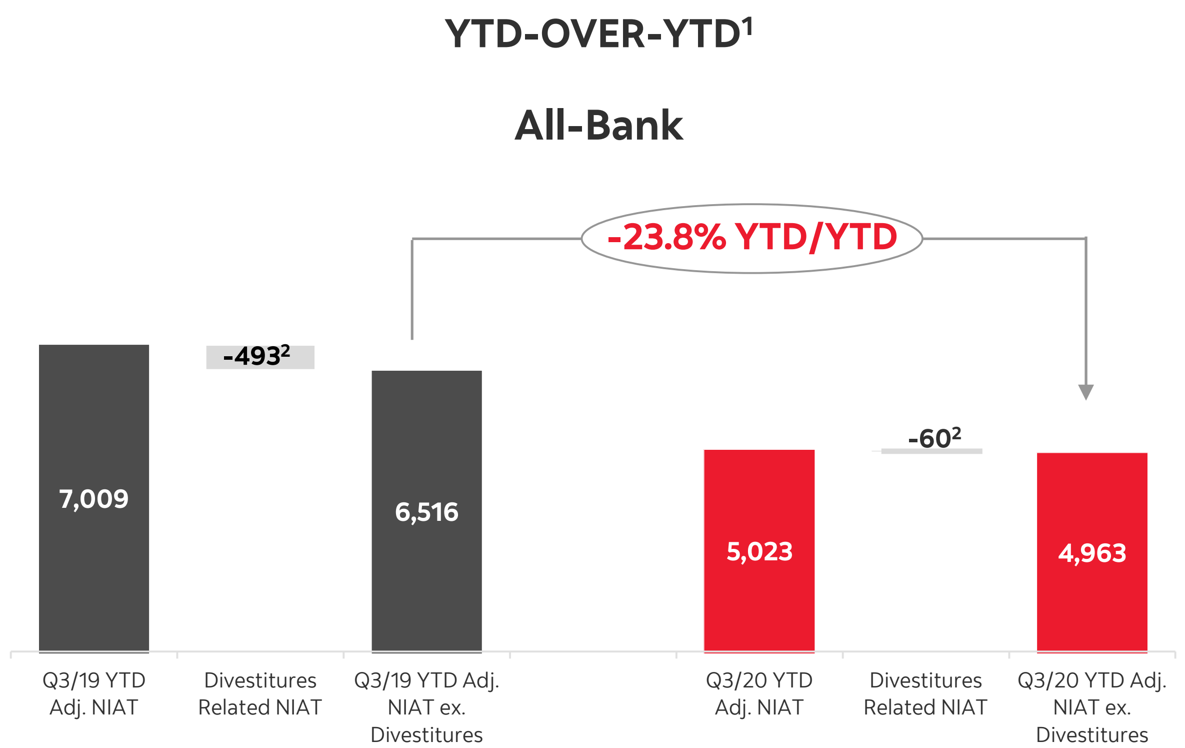
	Base Case Scenario			Alternative Scenario - Optimistic			Alternative Scenario - Pessimistic			Alternative Scenario - Severe Pessimistic		
Next 12 months	**As at July 31, 2020**	As at April 30, 2020	As at October 31, 2019	**As at July 31, 2020**	As at April 30, 2020	As at October 31, 2019	**As at July 31, 2020**	As at April 30, 2020	As at October 31, 2019	**As at July 31, 2020**	As at April 30, 2020	As at October 31, 2019
Canada												
Real GDP growth, y/y % change	**-0.1**	-9.5	1.9	**3.6**	-7.9	2.4	**-5.8**	-14.1	1.3	**-13.5**	-19.1	n/a
Unemployment rate, average %	**9.1**	11.7	5.8	**7.8**	11.2	5.6	**12.1**	14.3	6.1	**15.9**	16.6	n/a
US												
Real GDP growth, y/y % change	**1.8**	-6.3	1.8	**5.0**	-4.6	2.3	**-2.0**	-9.9	1.4	**-8.9**	-14.9	n/a
Unemployment rate, average %	**9.6**	11.1	3.9	**8.9**	10.7	3.7	**11.0**	13.1	4.0	**13.5**	15.1	n/a
Global												
WTI oil price, average USD/bbl	**41**	27	54	**46**	28	56	**35**	23	53	**31**	20	n/a

Quarterly breakdown of the projections for the above macroeconomic variables, under the base case scenario:

	Base Case Scenario									
	Calendar Quarters					Calendar Quarters				
Next 12 months	**Q3 2020**	**Q4 2020**	**Q1 2021**	**Q2 2021**	**Average July 31 2020**	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Average April 30 2020
Canada										
Real GDP growth, y/y % change	**-9.0**	**-5.1**	**-1.2**	**14.7**	**-0.1**	-15.4	-11.5	-7.9	-3.3	-9.5
Unemployment rate, average %	**12.3**	**9.6**	**7.7**	**6.8**	**9.1**	13.3	13.2	11.0	9.2	11.7
US										
Real GDP growth, y/y % change	**-5.2**	**-2.5**	**1.0**	**13.8**	**1.8**	-12.4	-7.7	-4.7	-0.4	-6.3
Unemployment rate, average %	**11.7**	**10.2**	**8.8**	**7.5**	**9.6**	10.3	11.5	11.6	10.8	11.1
Global										
WTI oil price, average USD/bbl	**38**	**39**	**42**	**44**	**41**	22	24	29	34	27

Source: Scotiabank Economics, as at July 31, 2020.

NIAT Excluding Divestitures



[1] Refer to Non-GAAP Measures on slide 45 for adjusted results
[2] Includes divestiture related NIAT of Q3/20 YTD of $60 million in International Banking (Q3/19 YTD: $472 million); Q3/20 YTD of $nil in Global Wealth Management (Q3/19 YTD: $15 million) and Q3/20 YTD of $nil million in non-controlling interest (Q3/19 YTD: $6 million)

Net Income and Adjusted Diluted EPS

Net Income ($MM) and EPS ($ per share)	Q3/19	Q2/20	Q3/20
Net Income attributable to common shareholders	$1,839	$1,243	$1,332
Dilutive impact of share-based payment options and others	$40	($22)	($43)
Net Income attributable to common shareholders (diluted)	$1,879	$1,221	$1,289
Weighted average number of common shares outstanding	1,221	1,212	1,211
Dilutive impact of share-based payment options and others (1)	30	10	34
Weighted average number of diluted common shares outstanding	1,251	1,222	1,245
Reported Basic EPS	**$1.51**	**$1.03**	**$1.10**
Dilutive impact of share-based payment options and others (2)	($0.01)	($0.03)	($0.06)
Reported Diluted EPS	**$1.50**	**$1.00**	**$1.04**
Impact of adjustments on diluted earnings per share[1]	$0.38	$0.04	-
Adjusted Diluted EPS	**$1.88**	**$1.04**	**$1.04**

1. **Quarterly diluted common shares outstanding may be impacted by dilutive effect of put options sold by the bank relating to minority interests the bank holds in the following legal entities:**
   - Colpatria
   - BBVA Chile
   - Canadian Tire Financial Services
2. **Impact on diluted EPS higher this quarter at 6 cents due to PCL driven loss in Colombia**

[1] Refer to Non-GAAP Measures on Slide 45 for adjusted results

Adjusting Items - Pre-Tax

Adjusting Items (Pre-Tax) ($MM)	Q3/19	Q2/20	Q3/20
Acquisition-Related Costs			
Day 1 PCL on acquired performing financial instruments – International Banking	**-**	**-**	**-**
Integration Costs	**43**	**41**	**40**
Canadian Banking	-	-	-
International Banking	*39*	*33*	*34*
Global Wealth Management	*4*	*8*	*6*
Amortization of Intangibles[1]	**30**	**27**	**26**
Canadian Banking	*5*	*6*	*5*
International Banking	*15*	*12*	*12*
Global Wealth Management	*10*	*9*	*9*
Other			
Allowance for Credit Losses - Additional Scenario	**-**	**-**	**-**
Canadian Banking	-	-	-
International Banking	-	-	-
Global Wealth Management	-	-	-
Global Banking and Markets	-	-	-
Derivative Valuation Adjustment	**-**	**-**	**-**
Global Banking and Markets	-	-	-
Other	-	-	-
Impairment Charge on Software Asset	**-**	**-**	**-**
Other	-	-	-
Net Loss/(Gain) on Divestitures	**320**	**-**	**(44)**
Other	*320*	-	*(44)*
Total (Pre-Tax)	**393**	**68**	**22**

[1] Excludes amortization of intangibles related to software (pre-tax)

Adjusting Items – After-Tax and NCI

	Q3/19	Q2/20	Q3/20		
Adjusting Items (After-Tax and NCI) ($MM)			Tax	NCI	After-Tax and NCI
Acquisition-Related Costs					
Day 1 PCL on acquired performing financial instruments – International Banking	-	-	-	-	-
Integration Costs	***26***	**20**	**11**	**5**	**24**
Canadian Banking	-	-	-	-	-
International Banking	*23*	*15*	*10*	*5*	*19*
Global Wealth Management	*3*	*5*	*1*	-	*5*
Amortization of Intangibles[1]	**22**	**20**	**8**	-	**18**
Canadian Banking	*4*	*4*	*1*	-	*4*
International Banking	*11*	*9*	*4*	-	*8*
Global Wealth Management	*7*	*7*	*3*	-	*6*
Other				-	
Allowance for Credit Losses - Additional Scenario	-	-	-	-	-
Canadian Banking	-	-	-	-	-
International Banking	-	-	-	-	-
Global Wealth Management	-	-	-	-	-
Global Banking and Markets	-	-	-	-	-
Derivative Valuation Adjustment	-	-	-	-	-
Global Banking and Markets	-	-	-	-	-
Other	-	-	-	-	-
Impairment Charge on Software Asset	-	-	-	-	-
Other	-	-	-	-	-
Net Loss/(Gain) on Divestitures	**418**	-	**(1)**	-	**(43)**
Other	*418*	-	*(1)*	-	*(43)*
Total (After-Tax and NCI)	**466**	**40**	**18**	**5**	**(1)**

[1] Excludes amortization of intangibles related to software (after-tax)

Other Items Impacting Financial Results

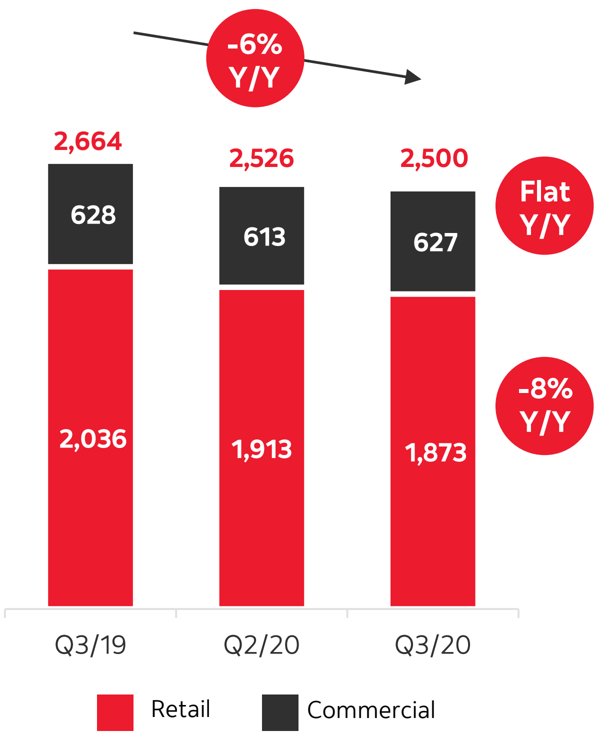
(Pre-Tax) ($MM)[1]	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q3/20 vs Q3/19	YTD20 vs YTD19
Canadian Banking									
Branch real estate gains	8	7	-	-	-	-	-	-	(15)
Total	**8**	**7**	**-**	**-**	**-**	**-**	**-**	**-**	**(15)**
International Banking									
One month reporting lag elimination	58	-	-	-	51	-	-	-	(7)
Impact of closed divestitures[2]	210	217	190	213	74	-	1	(189)	(542)
Total	**268**	**217**	**190**	**213**	**125**	**-**	**1**	**(189)**	**(549)**
Global Wealth Management									
One month reporting lag elimination	-	-	-	-	9	-	-	-	9
Impact of closed divestitures[2]	7	20	3	5	1	-	-	(3)	(29)
Total	**7**	**20**	**3**	**5**	**10**	**-**	**-**	**(3)**	**(20)**
Other									
Metals business charges	-	-	-	-	20	217	-	-	237
Total	**-**	**-**	**-**	**-**	**20**	**217**	**-**	**-**	**237**
Total (Pre-Tax)	**283**	**244**	**193**	**218**	**155**	**217**	**1**	**(192)**	**(347)**

(After-Tax and NCI) ($MM)[1]	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q3/20 vs Q3/19	YTD20 vs YTD19
Canadian Banking									
Branch real estate gains	6	6	-	-	-	-	-	-	(12)
Total	**6**	**6**	**-**	**-**	**-**	**-**	**-**	**-**	**(12)**
International Banking									
One month reporting lag elimination	41	-	-	-	37	-	-	-	(4)
Impact of closed divestitures[2]	163	162	147	159	59	-	1	(146)	(412)
Total	**204**	**162**	**147**	**159**	**96**	**-**	**1**	**(146)**	**(416)**
Global Wealth Management									
One month reporting lag elimination	-	-	-	-	6	-	-	-	6
Impact of closed divestitures[2]	4	10	1	2	-	-	-	(1)	(15)
Total	**4**	**10**	**1**	**2**	**6**	**-**	**-**	**(1)**	**(9)**
Other									
Metals business charges	-	-	-	-	20	212	-	**-**	**232**
Total	**-**	**-**	**-**	**-**	**20**	**212**	**-**	**-**	**232**
Total (After-Tax and NCI)	**214**	**178**	**148**	**161**	**122**	**212**	**1**	**(147)**	**(205)**
Impact on diluted earnings per share	**$0.17**	**$0.14**	**$0.12**	**$0.13**	**$0.10**	**$0.17**	**-**	**($0.12)**	**($0.16)**

[1] Items on this page have not been formally adjusted for determining the bank's Adjusted Net Income and Adjusted Diluted EPS
[2] Pension and related insurance business in the Dominican Republic, sale of seven non-core markets in the Caribbean, Thanachart Bank in Thailand, pension fund operations in Colombia, operations in Puerto Rico and the U.S. Virgin Islands, insurance and banking operations in El Salvador, and operations in British Virgin Islands

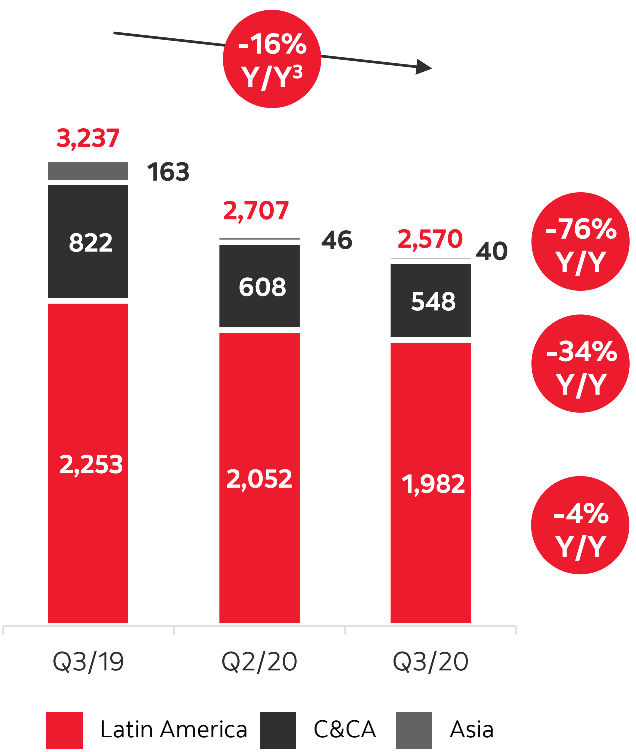
Revenue Growth: P&C Banking

Canadian Banking[1]



Strong volume growth offset by lower net interest income and lower fee income

International Banking[1, 2]

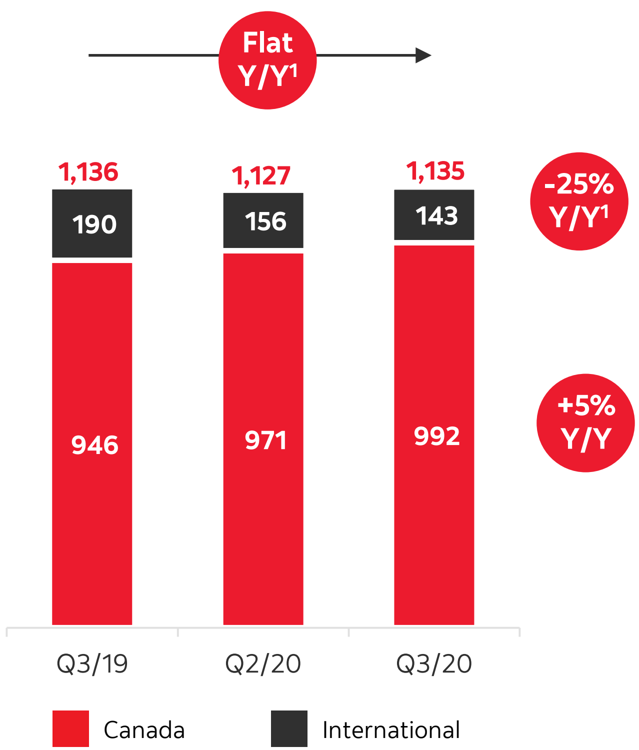


Impacted by divested operations. Revenues excluding divestitures down 8% due to margin compression and lower non-interest income

[1] May not add due to rounding
[2] Y/Y growth rates are on a constant dollar basis
[3] Revenue growth of -21% Y/Y on a reported basis. International Banking constant currency revenue growth down 8% Y/Y excluding the impact of divestitures

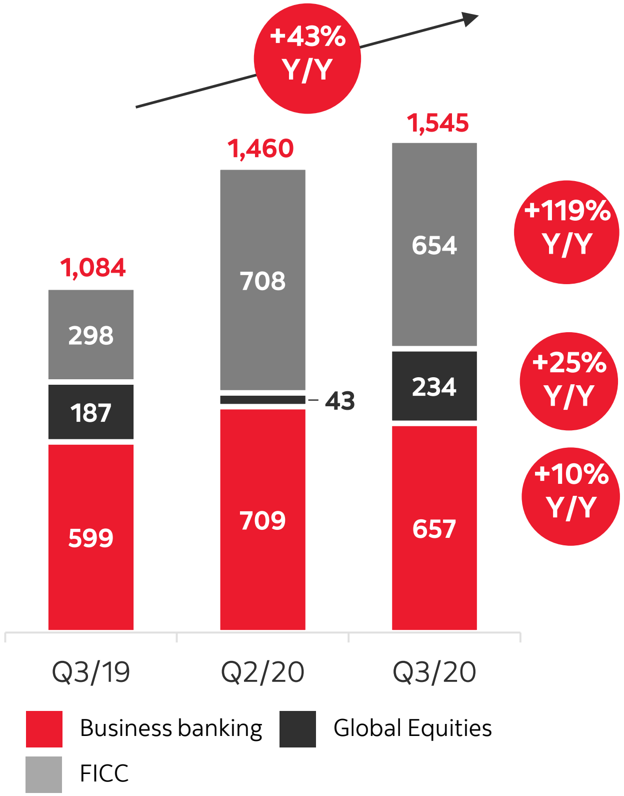
Revenue Growth: GWM and GBM

Global Wealth Management



Divestitures & slowdown in International operations offset by higher iTRADE brokerage fees

Global Banking and Markets[2,3]

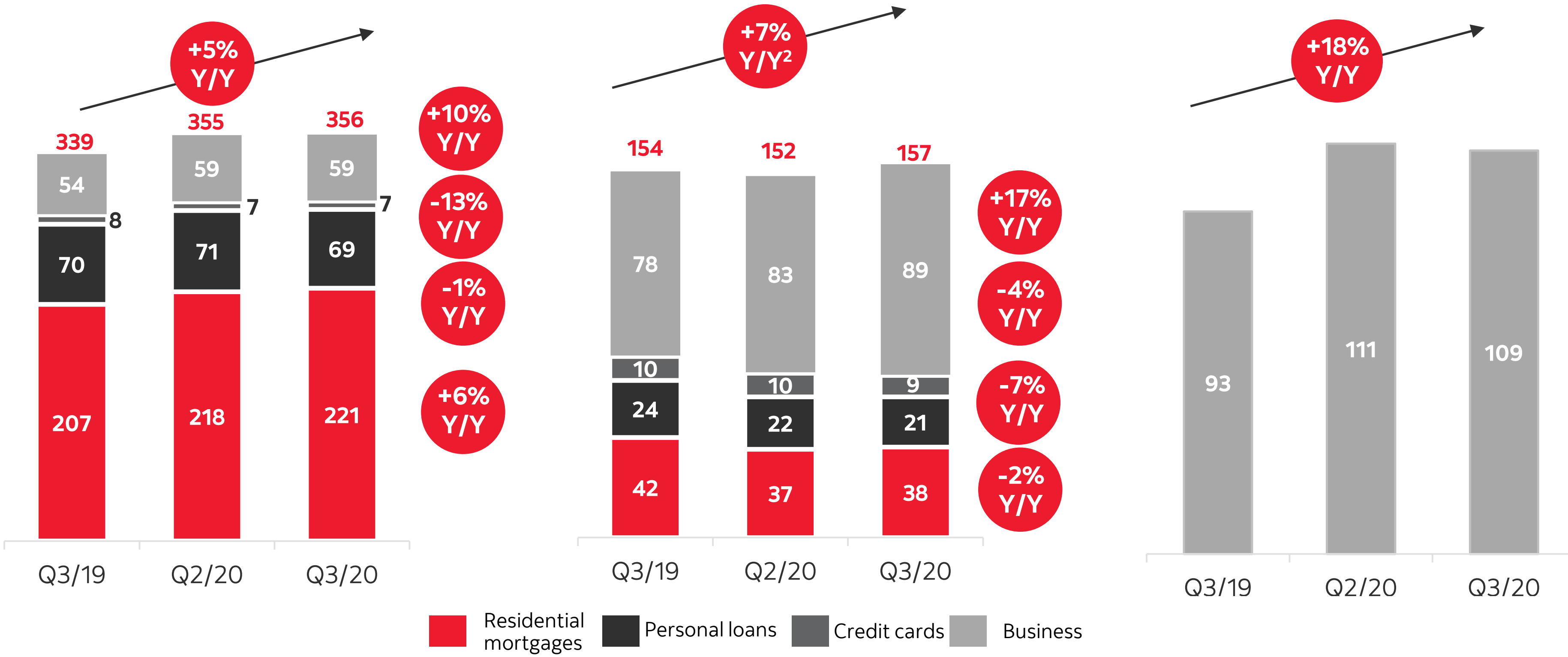


Another strong trading quarter

[1] Global Wealth Management revenue up 2% and International Wealth Management revenue down 14% excluding the impact of divestitures
[2] GBM LatAm revenue contribution and assets are reported in International Banking's results
[3] Adjusting for the derivative valuation adjustment and the additional forward-looking economic scenario

Loan Growth by Business Line

Canadian Banking | International Banking[1] | Global Banking and Markets



Strong loan growth mainly driven by residential mortgages and business lending

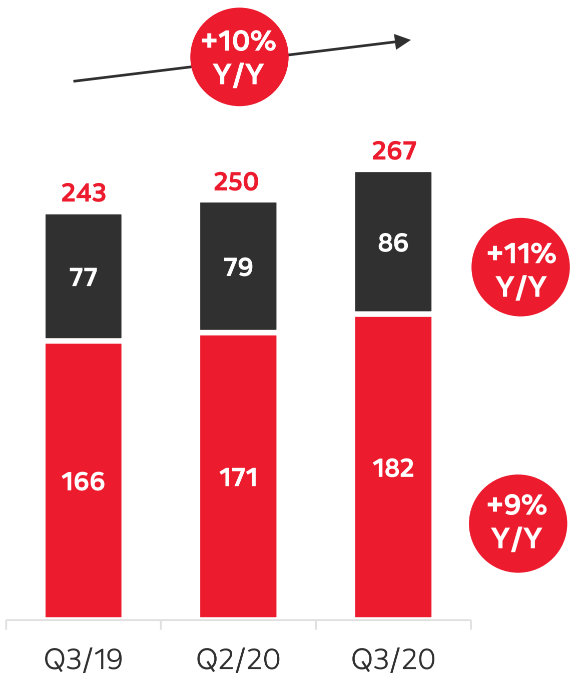
Strong loan growth driven by Commercial Banking in Latin America. Total loans ex. Divestures up 13% Y/Y

Continued strong loan growth Y/Y, focused in North America

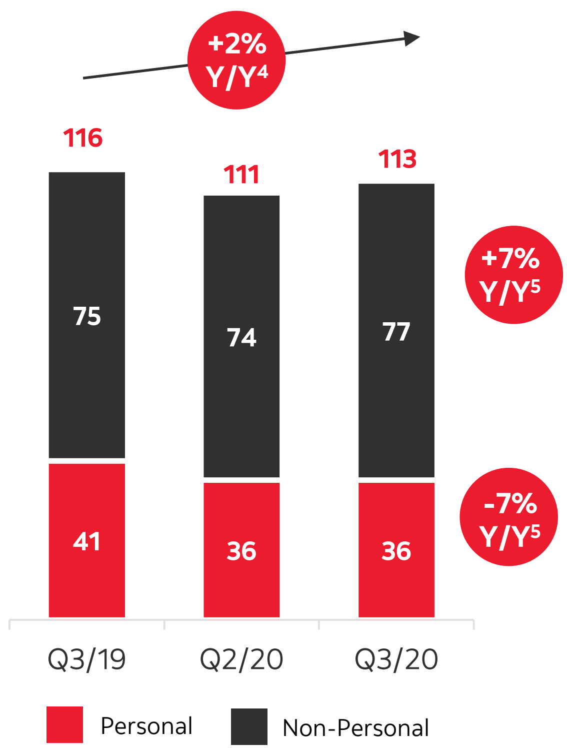
[1] Y/Y growth rates are on a constant dollar basis
[2] Average loans & acceptances up 2% Y/Y on a reported basis. International Banking constant currency loans up 13% excluding the impact of divestitures

Deposit Growth by Business Line

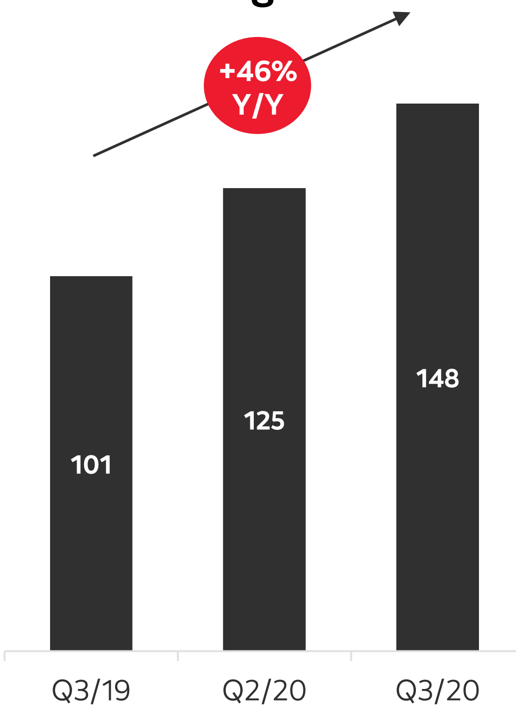
Canadian Banking[1]



International Banking[1,2,3]



Global Banking and Markets



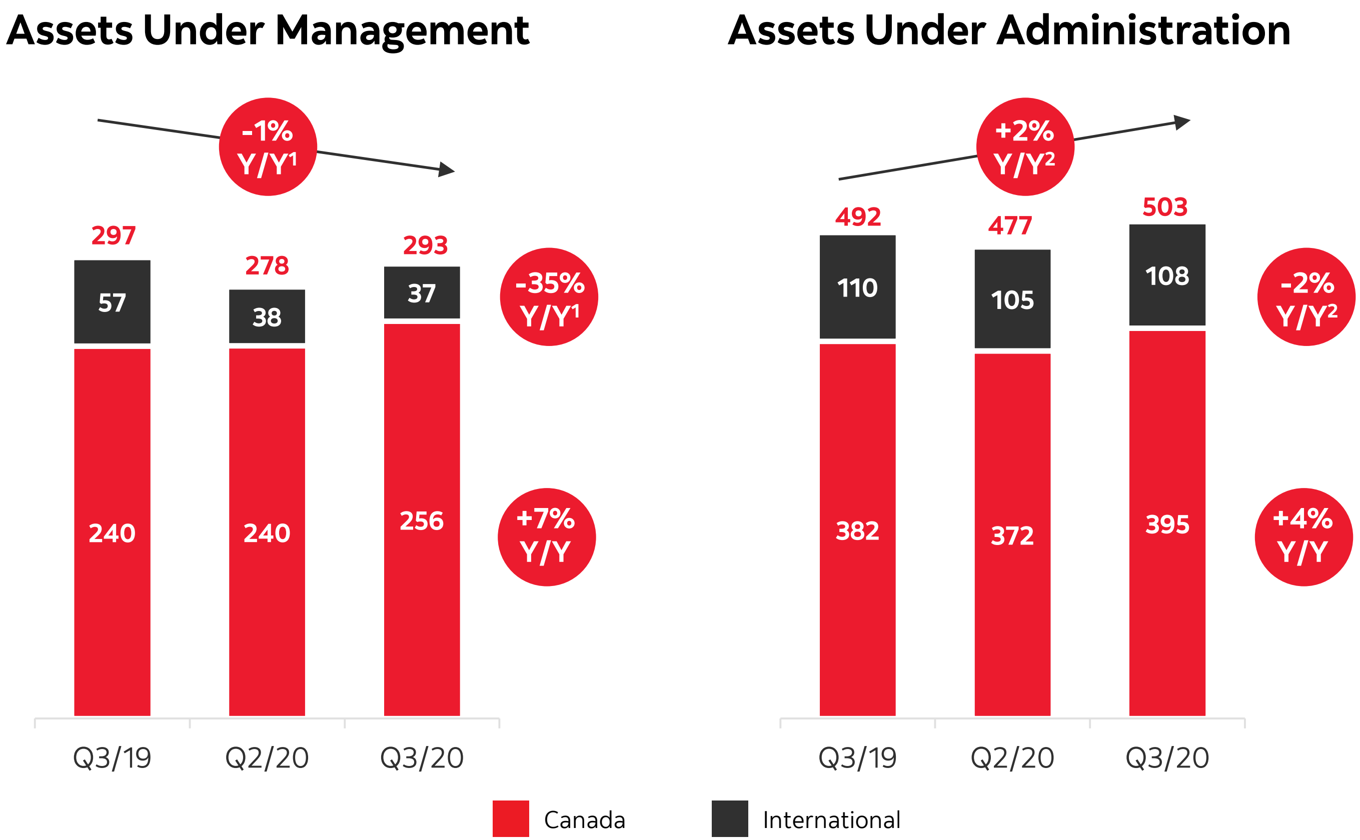
Continued growth driven by both Personal & Non-Personal deposits

Deposit growth driven by Non-Personal deposits. Total deposits ex. Divestitures up 11% Y/Y

Continued focus on deposit generation, accelerated by customer liquidity requirements

[1] May not add due to rounding
[2] Y/Y growth rates are on a constant dollar basis
[3] Includes deposits from banks
[4] Average deposits declined -3% Y/Y on a reported basis. International Banking constant currency deposits up 11% excluding divestitures
[5] International Banking constant currency deposits non-personal deposits up 12% Y/Y and personal deposits up 9% Y/Y excluding divestitures

Global Wealth AUM/AUA Growth



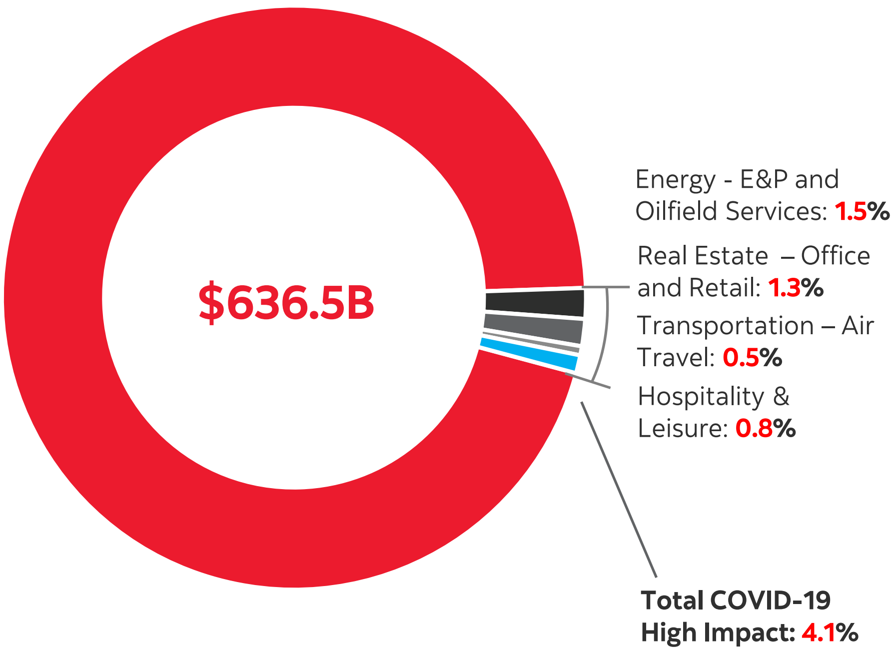
AUM down due to divestitures and the impact of customer assistance programs within our International operations, partially offset by market appreciation and strong net sales in Canada.

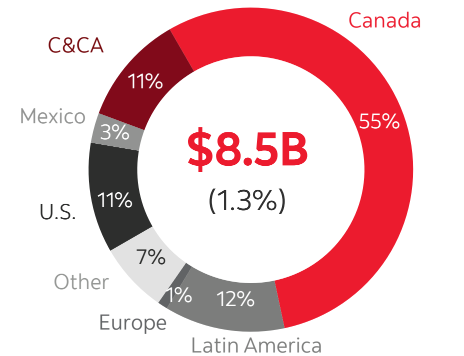
AUA up primarily due to higher net sales and market appreciation.

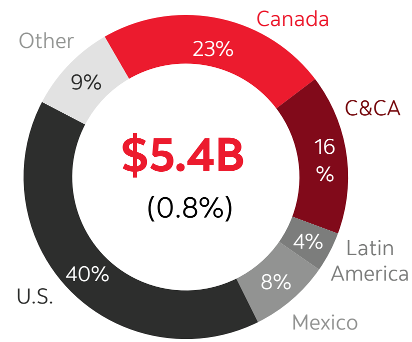
[1] Global Wealth Management AUM up 4% and International Wealth Management AUM down 10% excluding the impact of divestitures
[2] Global Wealth Management AUA up 6% and International Wealth Management AUA up 14% excluding the impact of divestitures

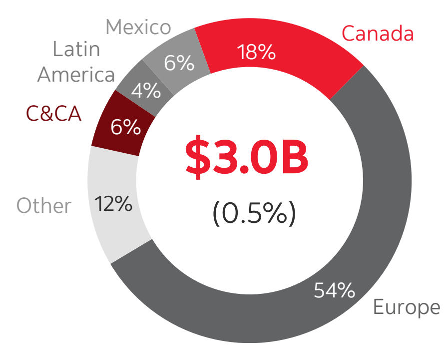
Sectors Most Impacted by COVID-19[1]

Total Loans ($B)









Real Estate: Office and Retail

	$B	%IG
Office REIT	$1.0	69%
Office Real Estate	$3.3	44%
Retail REIT	$1.3	97%
Retail Real Estate	$2.9	56%
Total[2]	**$8.5**	**59%**

Hospitality & Leisure

	$B	%IG
Hotels	$4.2	26%
Cruise Lines	$0.3	0%
Gaming	$0.9	1%
Total[2]	**$5.4**	**20%**

Transportation: Air Travel

	$B	%IG
Aircraft Finance	$1.4	99%
Airlines	$0.4	3%
Airports	$1.2	76%
Total	**$3.0**	**76%**

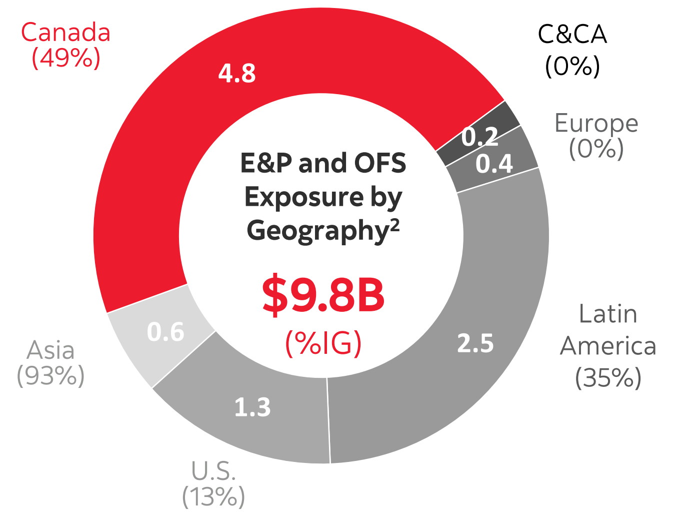
[1] Sectors which have experienced the greatest disruption in normal business activities and impact to revenue due to the COVID-19 pandemic (including, but not limited to, government-mandated closures) relative to other sectors
[2] May not add due to rounding

Energy - E&P and OFS Exposure[1]

	Loans and Acceptances Outstanding ($B)	% of Total E&P and OFS	% of Total Loans and Acceptances Outstanding	% Investment Grade
Total Exploration & Production (E&P)	8.3	85%	1.3%	47%
*Canadian E&P**	*3.6*	*37%*	*0.6%*	*63%*
U.S. E&P	*1.2*	*12%*	*0.2%*	*15%*
Oilfield Services (OFS)	1.5	15%	0.2%	6%
Total E&P and Oilfield Services Exposure[2]	**9.8[2]**	**100%**	**1.5%**	**41%**

**Decline in Canadian E&P Investment Grade vs. Q2 2020 related to downward rating migration of the portfolio*

- **Total Loans and Acceptances Outstanding reduced by $1.2Bn (11%) vs. Q2**
  - 41% is rated investment Grade. 49% of Total Energy (including Midstream and Downstream) exposure is Investment Grade
  - Outlook has improved due to the recent increase in oil prices
- **Exploration & Production**
  - Majority of non-investment grade exposure is to secured reserve-based loans or sovereign owned/controlled entities
- **Oilfield Services**
  - Majority of non-investment grade exposure is secured. Focused on companies with stronger liquidity and balance sheets
- **ACL coverage in E&P and OFS beyond Stage 3**
  - Added substantially to Stage 1&2 ECL in Q2 and Q3 through expert credit judgement. US exposure has material subordinated debt as a first loss tranche and is largely secured

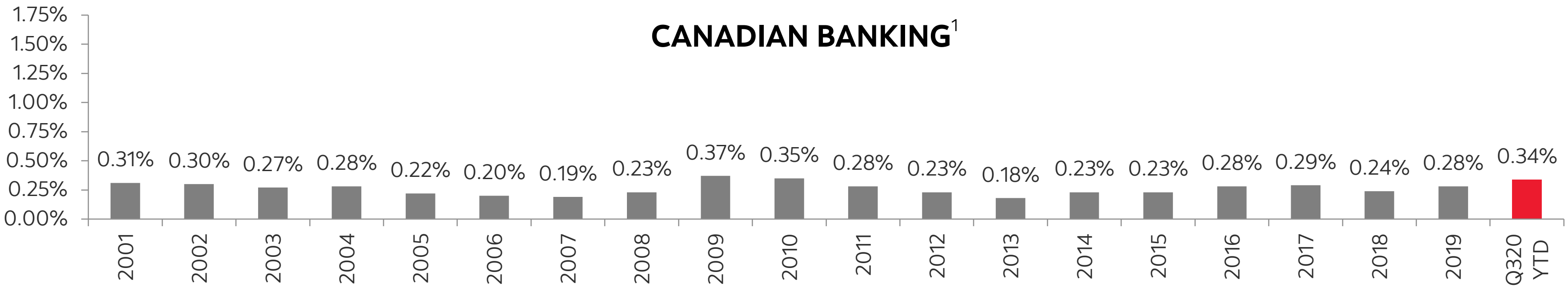


[1] As of July 31, 2020. Excludes Midstream and Downstream
[2] May not add due to rounding

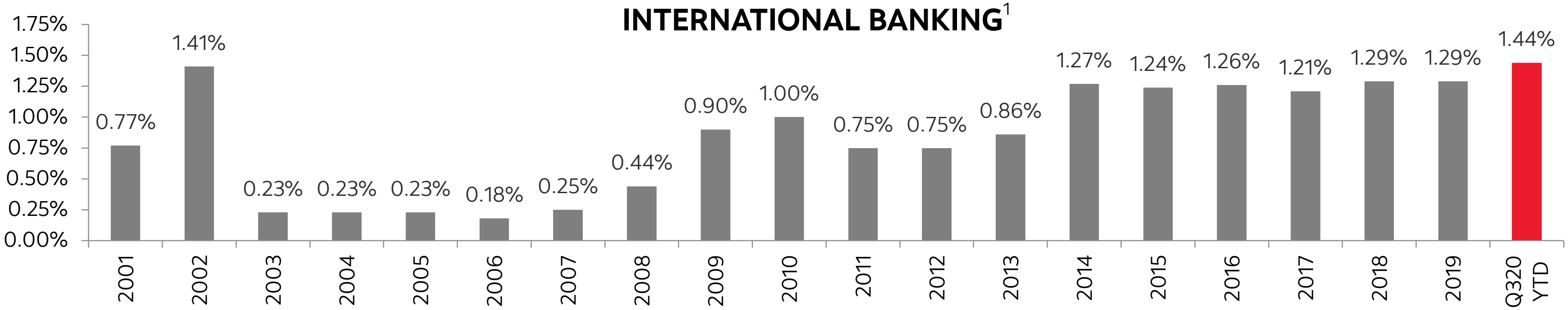
Historical PCL Ratios on Impaired Loans

ALL BANK[1,2]

CANADIAN BANKING[1]



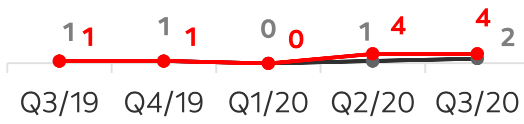
INTERNATIONAL BANKING[1]



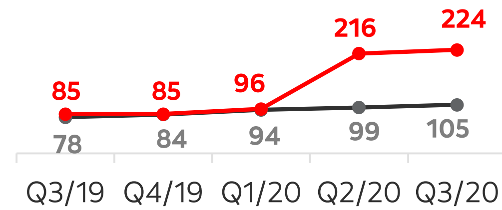
[1] Provision for credit losses on certain assets – loans, acceptances and off-balance sheet exposures
[2] 2002: Included $454 million related to the Bank's exposure to Argentina; 2009: Higher PCLs driven by economic conditions, event distributed across business lines. Higher general allowance and sectoral allowance (automotive related)

Canadian Retail: Loans and Provisions[1]

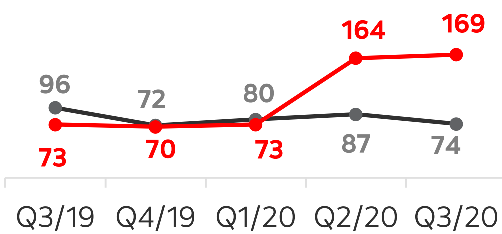
MORTGAGES



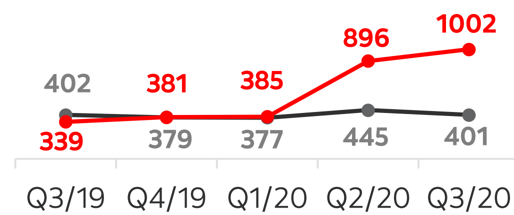
AUTO LOANS



LINES OF CREDIT[2]



CREDIT CARDS



PCL as a % of avg. net loans (bps)

PCLs on Impaired Loans as a % of avg. net loans (bps)

Loan Balances Q3/20	Mortgages	Auto Loans	Lines of Credit[2]	Credit Cards	Total
Spot ($B)	$238	$39	$33	$7	$318[3]
% Secured	100%	100%	63%	3%	94%[4]

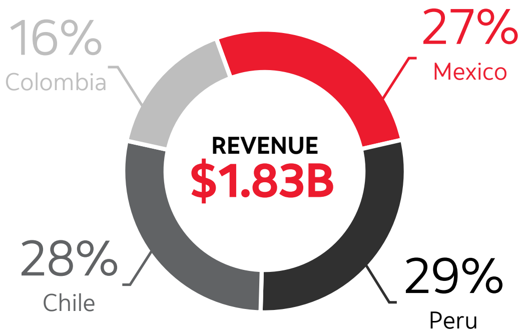
[1] Includes Wealth Management. PCL excludes impact of additional pessimistic scenario
[2] Includes Home Equity Lines of Credit and Unsecured Lines of Credit
[3] Includes Tangerine balances of $6 billion and other smaller portfolios
[4] 81% secured by real estate; 13% secured by automotive

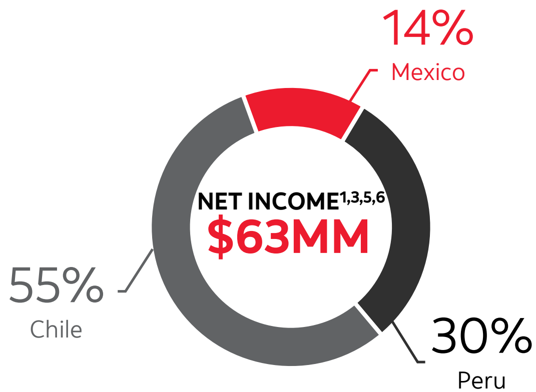
International Banking: Pacific Alliance

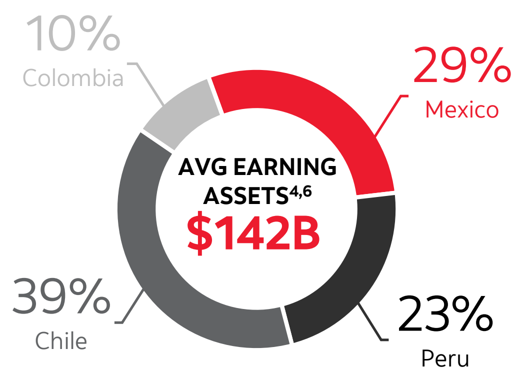
FINANCIAL PERFORMANCE AND METRICS ($MM)[1, 2, 3]

	Q3/20	Q2/20	Q3/19	Q/Q	Y/Y
Revenue ($MM)	1,833	1,899	2,096	(2%)	(5%)
Expenses ($MM)	846	880	966	(3%)	(3%)
PTPP ($MM)	987	1,019	1,130	(2%)	(6%)
Net Income[1] ($MM)	63	170	473	(60%)	(86%)
NIM	4.04%	4.32%	4.61%	(28 bps)	(57 bps)
Productivity Ratio	46.1%	46.3%	46.1%	(20 bps)	-

GEOGRAPHIC DISTRIBUTION[4]



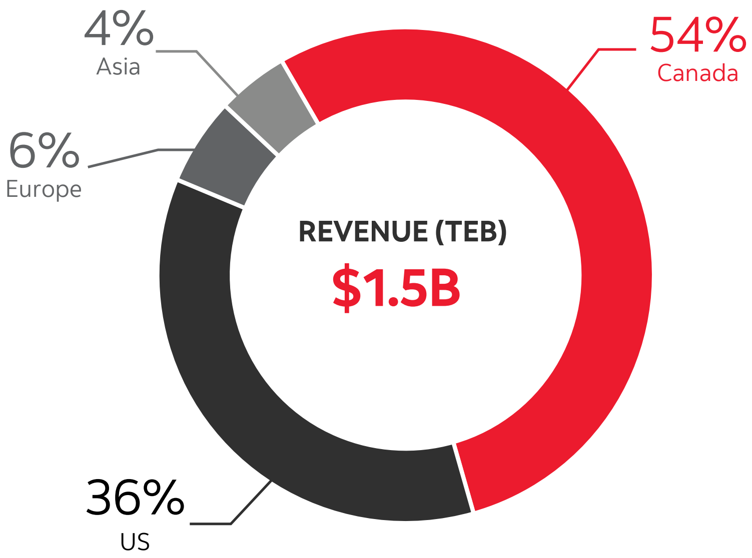




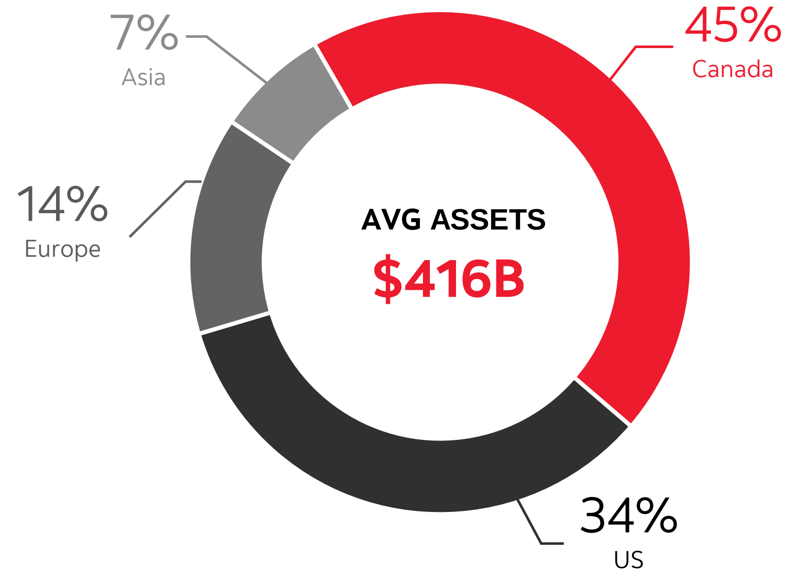
[1] Attributable to equity holders of the Bank
[2] Y/Y and Q/Q growth rates (%) are on a constant dollars basis, while metrics and change in bps are on a reported basis
[3] Refer to Non-GAAP Measures on slide 45 for adjusted results
[4] For the 3 months ended July 31, 2020
[5] Percentage mix excludes Colombia which reported an adjusted loss for the 3 months ended July 31, 2020
[6] May not add due to rounding

GBM: Revenue and Average Assets

REVENUE BY GEOGRAPHY[1,2]



ASSETS BY GEOGRAPHY[1,2]

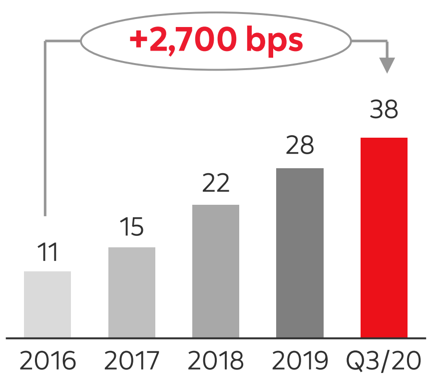


[1] For the 3 months ended July 31, 2020
[2] GBM LatAm revenue contribution and assets are not included above as they are reported in International Banking's results

Digital Progress

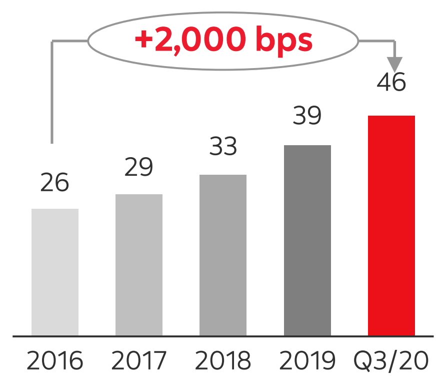
- ✓ Winner of *The Banker* "Innovation in Digital Banking North America[1]" award
- ✓ #1 ranking in Canada Online Banking Satisfaction Study (J.D. Power 2020)
- ✓ Leading mobile banking app in Canada[4]
- ✓ Digital account opening and sales capabilities that reduces processing time by up to 75% in PAC
- ✓ Implemented various digital solutions to provide financial support and advisory to our customers during COVID-19

Digital Retail Sales[2]



Goal >50%

Digital Adoption[3]

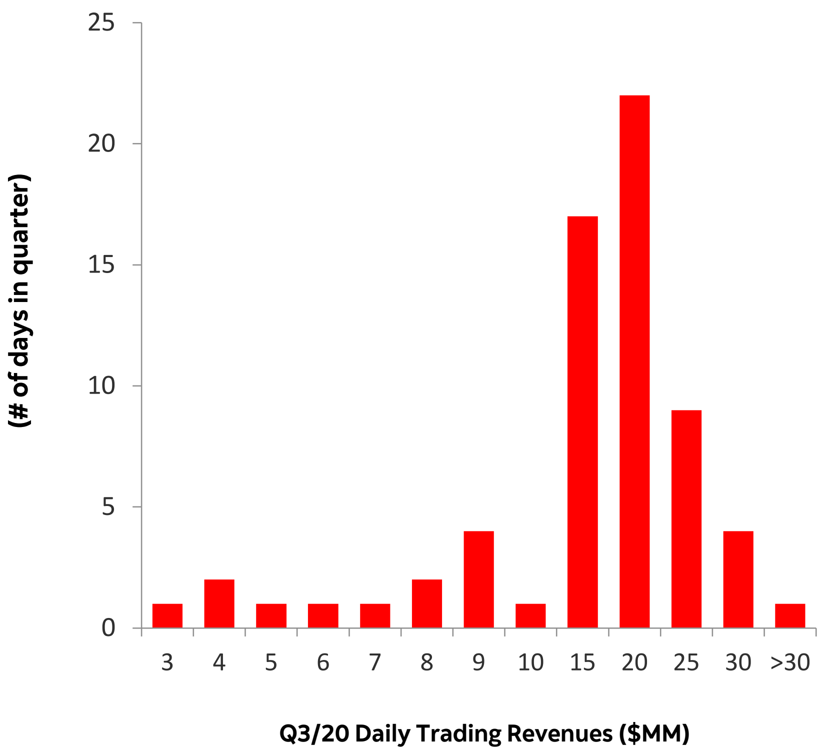


Goal >70%

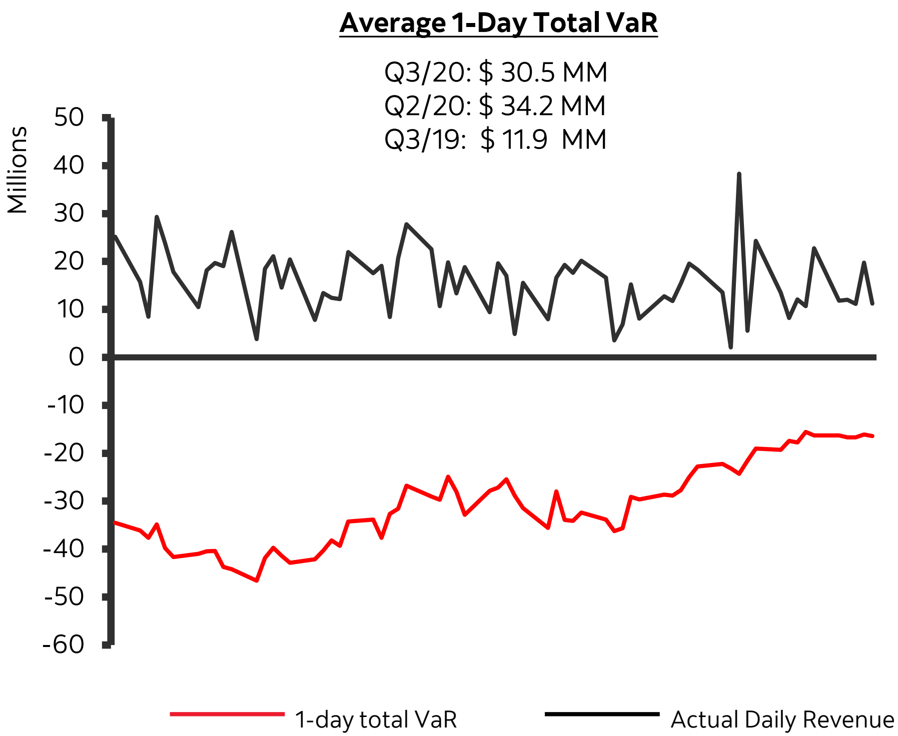
[1] By the Banker magazine, a Financial Times publication
[2] Canada: F2017 22%, F2018 26%, F2019 26% PACs: F2017 13%, F2018 19%, F2019 29%
[3] Canada: F2017 36%, F2018 38%, F2019 42% PACs: F2017 20%, F2018 26%, F2019 35%
[4] Based on weighted-average *Apple Store* and *Google Play* ratings (August 23, 2020)

Trading Results

ZERO TRADING LOSS DAYS (Q3/20)



TRADING REVENUE & ONE-DAY TOTAL VAR (Q3/20)



Retail 90+ Days Past Due Loans

CANADA[1]	Q3/19	Q4/19	Q1/20	Q2/20[4]	Q3/20[4]
Mortgages	0.21%	0.20%	0.21%	0.21%	0.19%
Personal Loans	0.54%	0.58%	0.63%	0.72%	0.63%
Credit Cards	0.83%	0.98%	1.02%	1.12%	0.81%
Secured and Unsecured Lines of Credit	0.26%	0.26%	0.25%	0.26%	0.23%
Total	**0.27%**	**0.28%**	**0.29%**	**0.30%**	**0.26%**

INTERNATIONAL	Q3/19[2,3]	Q4/19[2,3]	Q1/20[2,3]	Q2/20[2,3,4]	Q3/20[2,3,4]
Mortgages	3.23%	3.10%	2.65%	3.05%	2.94%
Personal Loans	3.55%	3.59%	3.89%	4.04%	4.02%
Credit Cards	3.19%	3.26%	3.26%	3.35%	2.72%
TOTAL	**3.31%**	**3.26%**	**3.22%**	**3.36%**	**3.18%**

[1] Includes Wealth Management
[2] Includes acquisitions in Chile, Colombia
[3] Includes acquisitions in Peru and Dominican Republic
[4] Does not reflect impact of payment deferral programs

Non-GAAP Measures

The Bank uses a number of financial measures to assess its performance. Some of these measures are not calculated in accordance with Generally Accepted Accounting Principles (GAAP), which are based on International Financial Reporting Standards (IFRS), are not defined by GAAP and do not have standardized meanings that would ensure consistency and comparability among companies using these or similar measures. The Bank believes that certain non-GAAP measures are useful in assessing ongoing business performance and provide readers with a better understanding of how management assesses performance. These non-GAAP measures are used throughout this report and defined below.

The slide presentation presents reconciliations of GAAP Reported financial results to non-GAAP Adjusted financial results. The financial results have been adjusted for the following:

1) **Acquisition and divestiture-related amounts** – Acquisition and divestiture-related amounts are defined as:

A) Acquisition-related costs

1. Integration costs – Includes costs that are incurred and relate to integrating the acquired operations and are recorded in the Global Wealth Management and International Banking operating segments. These costs will cease once integration is complete. The costs relate to the following acquisitions:

- Banco Cencosud, Peru (*closed Q2, 2019*)
- Banco Dominicano del Progreso, Dominican Republic (*closed Q2, 2019*)
- MD Financial Management, Canada (*closed Q4, 2018*)
- Jarislowsky, Fraser Limited, Canada (*closed Q3, 2018*)
- Citibank consumer and small and medium enterprise operations, Colombia (*closed Q3, 2018*)
- BBVA, Chile (*closed Q3, 2018*)

2. Amortization of Acquisition-related intangible assets, excluding software. These costs relate to the six acquisitions above, as well as prior acquisitions and are recorded in the Canadian Banking, Global Wealth Management and International Banking operating segments.

3. Day 1 provision for credit losses on acquired performing financial instruments, as required by IFRS 9 and are recorded in the Canadian and International Banking operating segments. The standard does not differentiate between originated and purchased performing loans and as such, requires the same accounting treatment for both. These credit losses are considered Acquisition-related costs in periods where applicable. The costs for Q2, 2019 relate to Banco Cencosud, Peru and Banco Dominicano del Progreso, Dominican Republic. The costs for Q3, 2018 relate to BBVA, Chile and Citibank, Colombia.

B) Net (gain)/loss on divestitures – The Bank announced a number of divestitures in 2019 in accordance with its strategy to reposition the Bank. The gain/loss on the divestitures is recorded in the Other segment, and relates to the following divestitures (refer to Note 21 for further details):

- Operations in British Virgin Islands (closed Q3, 2020)
- Operations in Belize (announced Q3, 2020)
- Equity-accounted investment in Thanachart Bank, Thailand (closed Q1, 2020)
- Colfondos AFP, Colombia (closed Q1, 2020)
- Operations in Puerto Rico and USVI (closed Q1, 2020)
- Insurance and banking operations in El Salvador (closed Q1, 2020)
- Banking operations in the Caribbean (closed Q4, 2019)

2) Allowance for credit losses (ACL) – Additional Scenario – The Bank modified its ACL measurement methodology in Q1, 2020 by adding an additional, more severe pessimistic scenario, consistent with developing practice among major international banks in applying IFRS 9, and the Bank's prudent approach to expected credit loss provisioning. The modification resulted in a pre-tax increase in provision for credit losses of $155 million, which was recorded in Canadian Banking, Global Wealth Management, International Banking and Global Banking and Markets operating segments.

3) Derivative Valuation Adjustment – The Bank enhanced its fair value methodology primarily relating to uncollateralized OTC derivatives which resulted in a pre-tax charge of $116 million in Q1, 2020. This charge was recorded in the Global Banking and Markets and Other operating segments.

4) Impairment charge on software asset –The Bank recorded an impairment loss in the Other operating segment of $44 million pre-tax in Q1, 2020, related to one software asset.

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