

# Investor Presentation

June 2021

**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 2020 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 2020 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 2020 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](http://www.sedar.com) and on the EDGAR section of the SEC’s website at [www.sec.gov](http://www.sec.gov).

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# Leading Bank in the Americas

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## Core Markets<sup>1</sup>

**#3** in Canada

**#3** in Peru

**#4** in Chile

**#5** in Mexico

**#6** in Colombia

## Business Lines<sup>2</sup>

**#3** in P&C Banking

**#2** in Capital Markets

**#3** in Wealth

<sup>1</sup> Core Markets rankings based on latest available market share data on loans for publicly traded banks as of June 1, 2021

<sup>2</sup> Business Line rankings based on Total Revenue or Total Net Income for publicly traded banks in Canada for the fiscal year ended October 31, 2020

# Leading Bank in the Americas<sup>1</sup>

Core markets: Canada, US, Mexico, Peru, Chile and Colombia

7th largest bank by assets<sup>1</sup> in the Americas



## Full-Service, Universal Bank

Canada  
Mexico  
Peru  
Chile  
Colombia  
Caribbean  
Uruguay

## Wholesale Operations

USA  
UK  
Singapore  
Australia  
Ireland  
Hong Kong SAR  
China  
Brazil  
India  
Japan

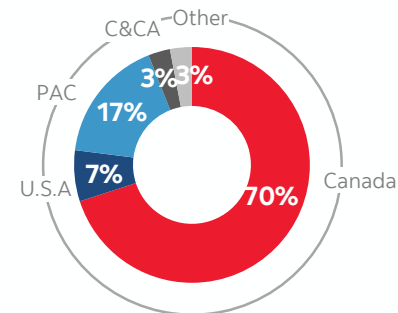
## Scotiabank<sup>2</sup>

	2021 YTD	Change YTD/YTD
Revenue	\$15,808MM	(1%)
Net Income	\$4,893MM	+32%
Return on Equity	14.6%	+350 bps
Operating Leverage	+3.4%	n.a.
Productivity Ratio	51.8%	(190 bps)
Total Assets	\$1.1T	(10%)
CET1 Ratio	12.3%	+ 140 bps

## Ranking by Market Share<sup>3</sup>

USMCA	Canada	#3
	USA	Top 10 FBO
Pacific Alliance Countries (PAC)	Mexico	#5
	Peru	#3
	Chile	#4
	Colombia	#6

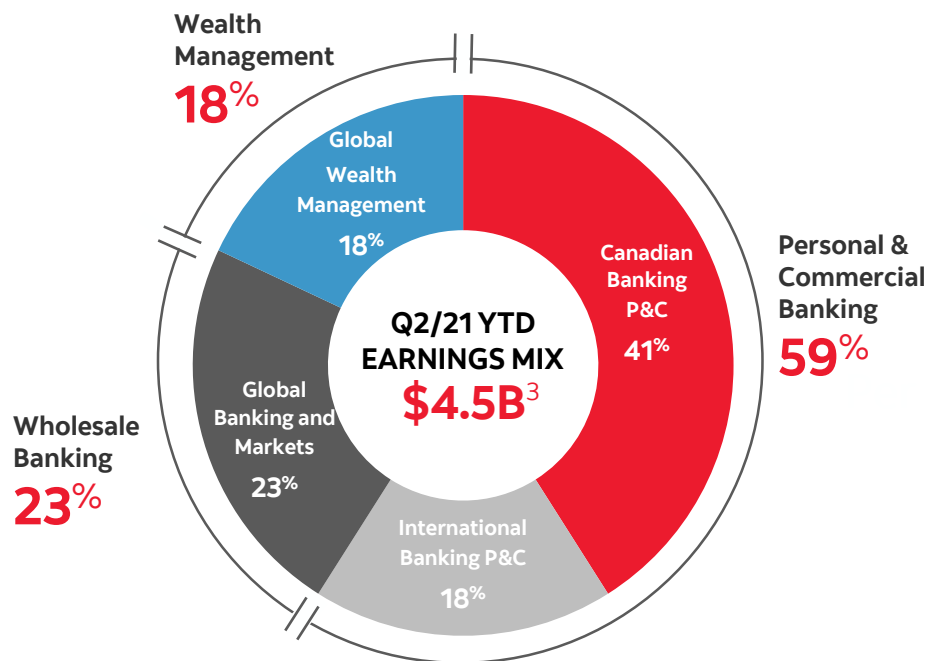
## Earnings by Market<sup>2,4</sup>



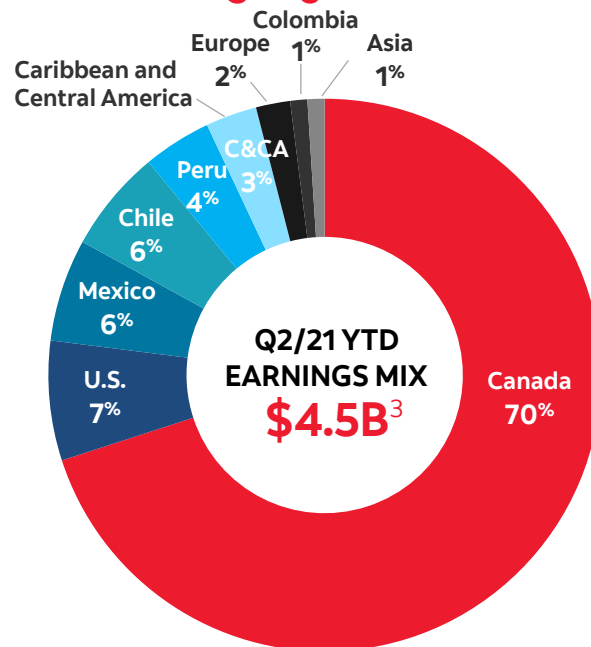
<sup>1</sup>Ranking by asset as at May 26, 2021, Bloomberg; <sup>2</sup> Adjusted for acquisition and divestiture-related amounts, impact of additional pessimistic scenario in ACLs, Derivative Valuation Adjustment, and impairment charge on software asset. Revenue growth, Net Income growth, and Operating Leverage excludes divested operations; <sup>3</sup>Ranking based on market share in loans as of March 2021 in Mexico, Peru and Chile, as of February 2021 in Colombia, as of January 2021 in Canada for publicly traded banks; <sup>4</sup>Adjusted net income attributable to equity holders of the Bank for the 6 months ended April 30, 2021

# Well-Diversified Business with Strong Returns

Earnings by Business Line<sup>1,2</sup>



Earnings by Market<sup>1,2,4</sup>



Adjusted Return on Equity<sup>1,2</sup> by Business Line



<sup>1</sup>Net income attributable to equity holders for the 6 months ended April 30, 2021; <sup>2</sup> Adjusted for acquisition and divestiture-related amounts, impact of additional pessimistic scenario in ACLs, Derivative Valuation Adjustment, and impairment charge on software asset; <sup>3</sup> Excludes Other segment; <sup>4</sup> Earnings from Brazil and Other totaled 0.3% of all-bank earnings

# Business Lines (Q2/21 YTD Results)

Activity	Personal & Commercial Banking		Wealth Management	Capital Markets
Business Line	Canadian Banking	International Banking	Global Wealth Management	Global Banking and Markets
<b>Products</b>	<ul style="list-style-type: none"> <li>• Mortgages</li> <li>• Auto Loans</li> <li>• Commercial Loans</li> <li>• Personal Loans</li> <li>• Credit Cards</li> </ul>	<ul style="list-style-type: none"> <li>• Mortgages</li> <li>• Auto Loans</li> <li>• Commercial Loans</li> <li>• Personal Loans</li> <li>• Credit Cards</li> </ul>	<ul style="list-style-type: none"> <li>• Asset Management</li> <li>• Private Banking</li> <li>• Private Investment Counsel</li> <li>• Brokerage</li> <li>• Trust</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Banking</li> <li>• Advisory</li> <li>• Equities</li> <li>• Fixed Income</li> <li>• Foreign Exchange</li> <li>• Commodities</li> </ul>
<b>NIAEH<sup>1</sup> (\$MM)</b>	\$1,846	\$827	\$803	\$1,060
<b>% All-Bank<sup>1</sup></b>	41%	18%	18%	23%
<b>% Target</b>	35-40%	25-30%	~15%	15-20%
<b>Productivity Ratio<sup>1</sup></b>	45.9%	54.1%	59.3%	48.1%
<b>ROE<sup>1</sup></b>	22.8%	9.4%	17.3%	17.3%
<b>Total Assets<sup>2</sup> (\$B)</b>	\$370.3	\$196.8	\$27.9	\$397.0
<b>Employees<sup>3</sup></b>	17,315	45,507	7,165	2,071

<sup>1</sup> Adjusted figures for the 6 months ended April 30, 2021

<sup>2</sup> Average balance for the 6 months ended April 30, 2021

<sup>3</sup> As of April 30, 2021

# Why Invest in Scotiabank?



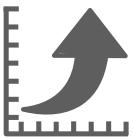
## Leading bank in the Americas

- Six core markets: Canada, US, Mexico, Chile, Peru and Colombia
- >95% of earnings from the Americas
- Only universal bank with full presence in all Pacific Alliance countries



## Diversified exposure to high quality growth markets

- Unique Americas footprint provides diversified exposure to higher growth, high ROE banking markets
- 229 million people in the Pacific Alliance countries comprise the 6<sup>th</sup> largest economy in the world



## Increasing scale and market share in core markets

- Competitive scale and increasing market share in core markets
- Competitive advantages in technology, risk management, and funding versus competitors



## Strong risk culture: solid credit quality, well provisioned

- Strong Canadian risk management culture with strong capabilities in AML and cybersecurity
- Focus on secured and investment-grade lending
- \$6.9 billion in allowances for credit losses as of Q2/21



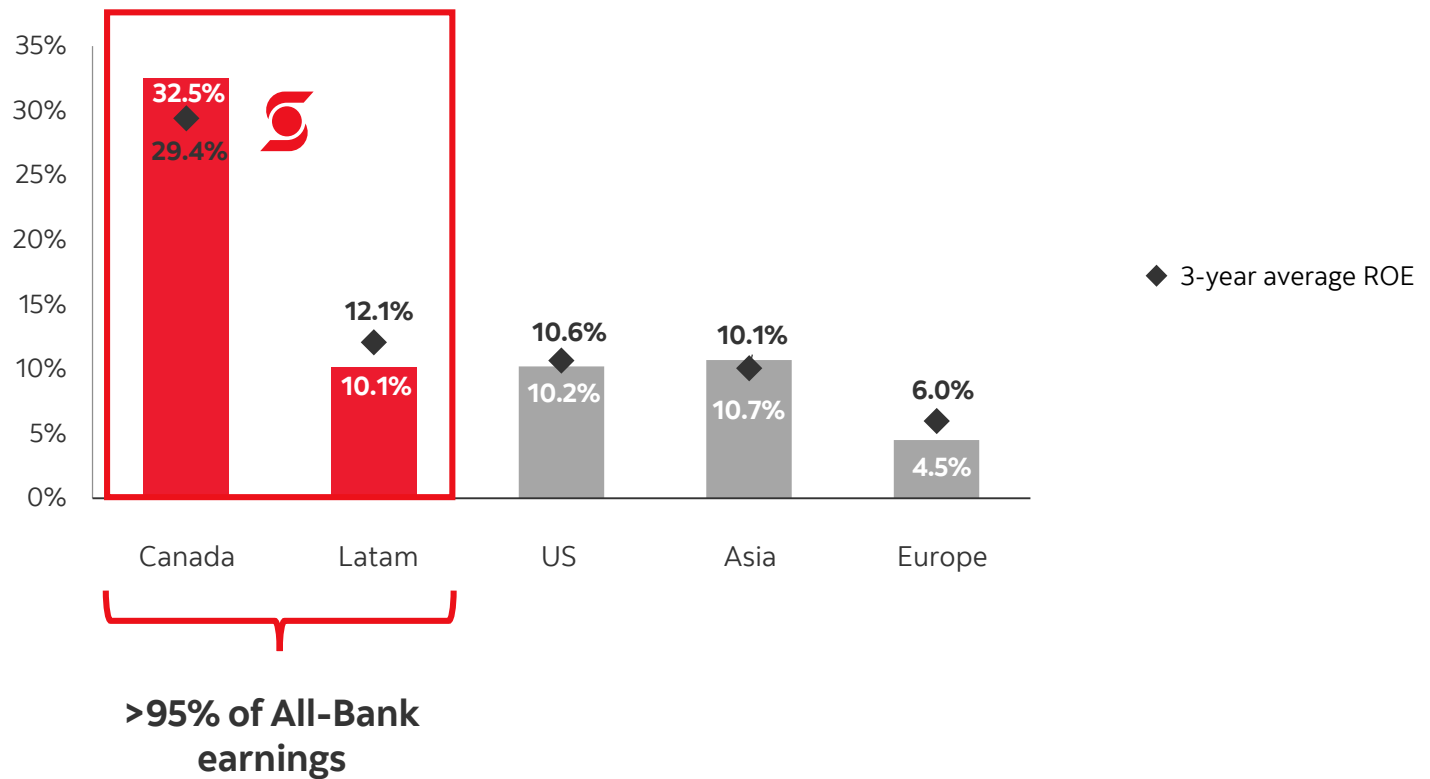
## Acceleration in Digital Banking

- Increased Digital Adoption to 54% in Q2/21
- Enhanced All-Bank Digital metrics to include Active Digital Users, Active Mobile Users, and Self-Serve Transactions in Q1/21
- Named “Best Bank in North America for Innovation in Digital Banking” (2020)
- #1 ranking for “Online Banking Satisfaction” - J.D. Power 2020



# Focused on Higher Return Markets

## Higher Banking ROEs in Canada and Latam (Latest Reporting Period)



Return on equity based on latest reporting period as of June 1, 2021

Canada figures are average of Canadian P&C return on equity

Canada and US figures are average for five largest and 10 largest market share banks in each country, respectively. Latam figures are average of 8 banks across Mexico, Peru, Chile, Colombia, and Brazil

Sources: Bloomberg LLP, Company Financial Reports

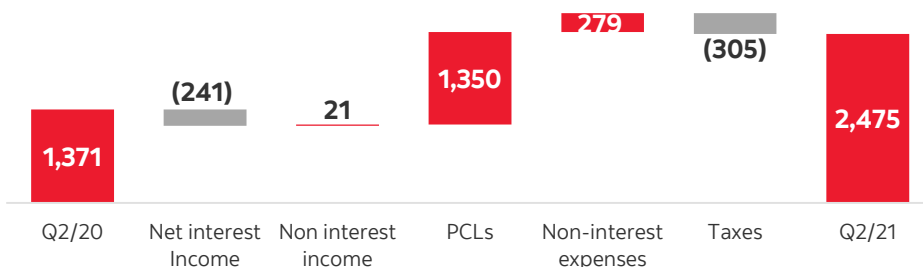
# Q2 2021 Financial Performance

\$MM, except EPS	Q2/21	Y/Y	Q/Q
<b>Reported</b>			
Net Income	\$2,456	85%	2%
Pre-Tax, Pre-Provision Profit	\$3,694	3%	(4%)
Diluted EPS	\$1.88	88%	1%
Revenue	\$7,736	(3%)	(4%)
Expenses	\$4,042	(7%)	(4%)
Productivity Ratio	52.2%	(260 bps)	10 bps
Core Banking Margin	2.26%	(9 bps)	(1 bp)
PCL Ratio <sup>1</sup>	33 bps	(86 bps)	(16 bps)
PCL Ratio on Impaired Loans <sup>1</sup>	80 bps	24 bps	31 bps
<b>Adjusted<sup>2</sup></b>			
Net Income	\$2,475	81%	2%
Pre-Tax, Pre-Provision Profit	\$3,720	2%	(4%)
Diluted EPS	\$1.90	83%	1%
Revenue	\$7,736	(3%)	(4%)
Expenses	\$4,016	(7%)	(4%)
Productivity Ratio	51.9%	(210 bps)	10 bps

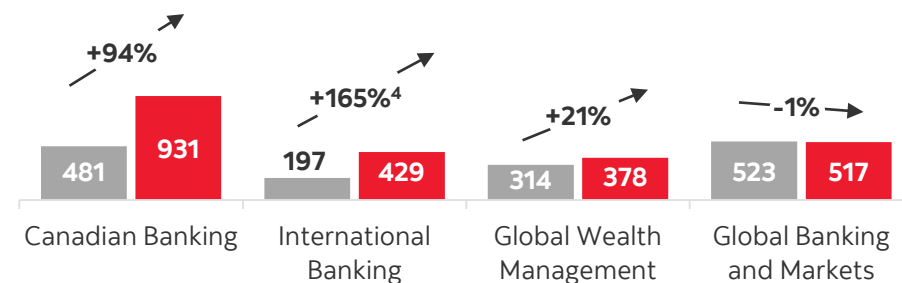
## YEAR-OVER-YEAR HIGHLIGHTS

- **Adjusted EPS<sup>2</sup> +83%**
- **Adjusted pre-tax, pre-provision profit<sup>2</sup> +2%**
- **Adjusted revenue<sup>2</sup> -3%**
  - Net interest income down 5% driven by lower margins
  - Non-interest income up 1%
- **Core banking margin -9 bps (-1 bp Q/Q)**
  - Decline primarily driven by central bank rate cuts, business mix changes and lower margin liquid assets
- **Adjusted expenses<sup>2</sup> -7%**
- **YTD adjusted operating leverage<sup>2</sup> of +3.4%**
- **Strong ROE<sup>2</sup> of 14.9%, up 670 bps (+50 bps Q/Q)**

## ADJUSTED NET INCOME<sup>2</sup> YEAR-OVER-YEAR (\$MM)



## ADJUSTED NET INCOME<sup>2,3</sup> BY BUSINESS SEGMENT (\$MM)



<sup>1</sup> Includes provision for credit losses on certain assets – loans, acceptances and off-balance sheet exposures

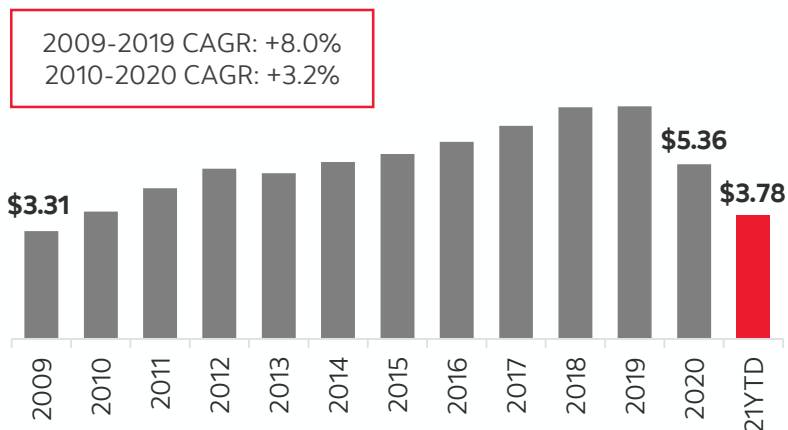
<sup>2</sup> Refer to Non-GAAP Measures on slide 37 for adjusted results

<sup>3</sup> Attributable to equity holders of the Bank

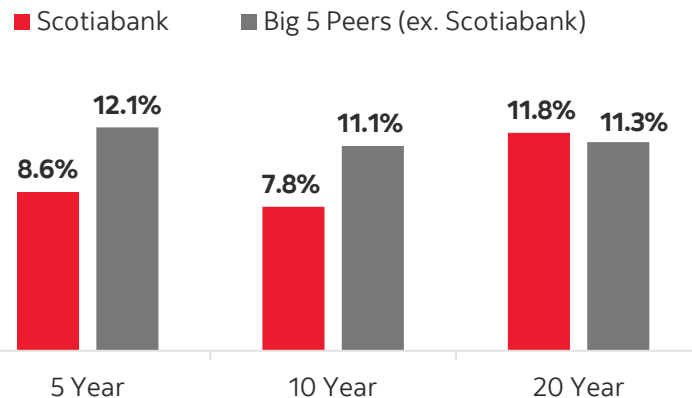
<sup>4</sup> Y/Y growth rate is on a constant dollar basis

# Earnings and Dividend Growth

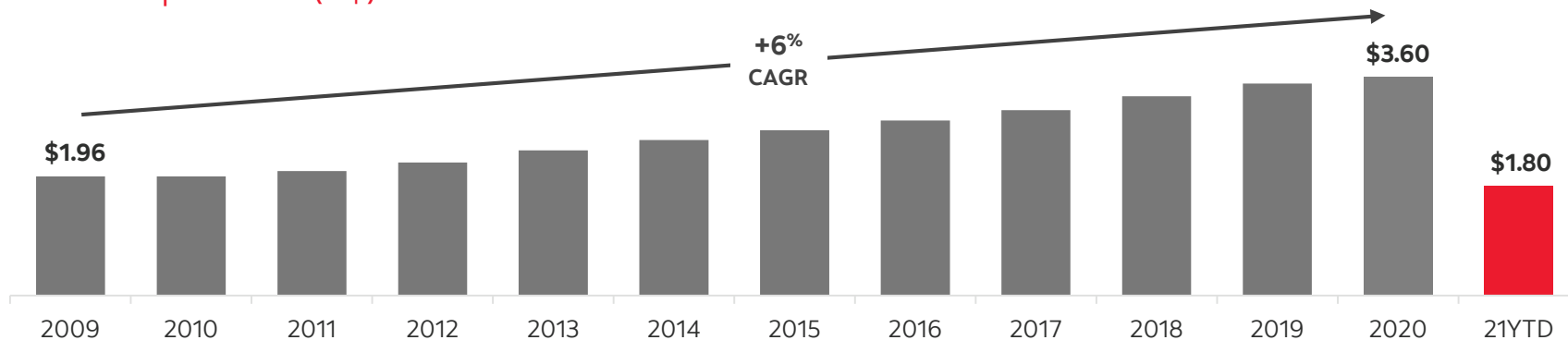
## Earnings per share (C\$)<sup>1,2</sup>



## Total shareholder return<sup>3</sup>



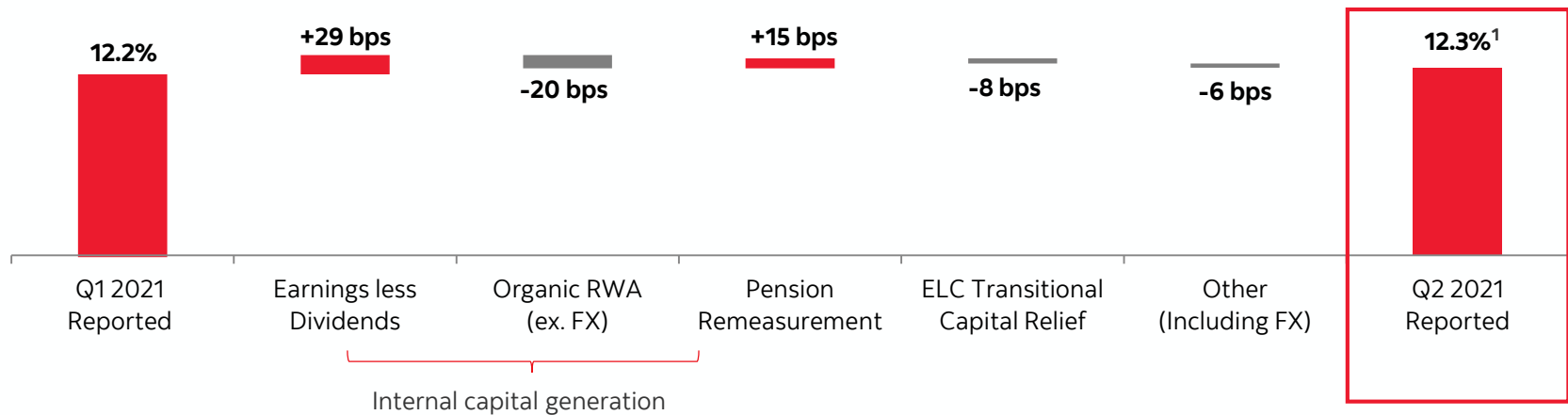
## Dividend per share (C\$)



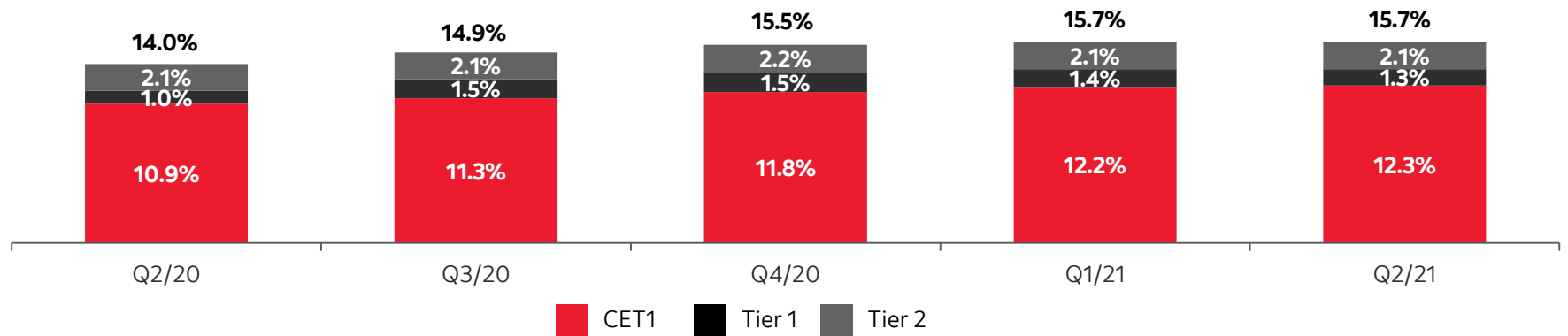
<sup>1</sup> Reflects adoption of IFRS in Fiscal 2011; <sup>2</sup> Excludes notable items for years prior to 2016. For 2016 onwards, results adjusted for acquisition and divestiture-related amounts, impact of additional pessimistic scenario in ACLs, Derivative Valuation Adjustment, and impairment charge on software asset; <sup>3</sup> As of April 30, 2021

# Strong Capital Position

## CET1 Ratio







## Strong Capital Levels

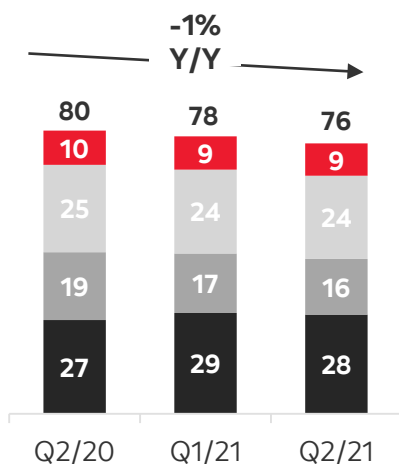


<sup>1</sup> Includes ~14 bps benefit from OSFI's partial inclusion of stage 1 and 2 allowances

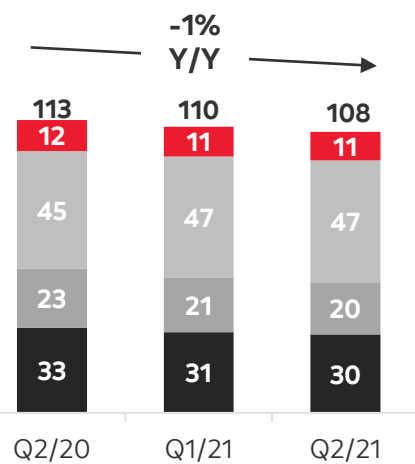
# Scotiabank in the Pacific Alliance

	 Chile	 Mexico	 Peru	 Colombia	Pacific Alliance Total/Average
Scotiabank Market Share <sup>1</sup>	13.8%	7.8%	16.5%	5.4%	10.5%
Market Share Ranking <sup>1</sup>	4th	5th	3rd	6th	n.a.
Strengths	All Products	Auto and Mortgages	All Products	Credit Cards, Personal	All Products
Average Total Loans <sup>2</sup> (C\$B)	\$47.0	\$30.2	\$20.2	\$11.0	\$108.3
Revenue <sup>3</sup> (C\$B)	\$0.5	\$0.5	\$0.4	\$0.3	\$1.7
Net Income after NCI <sup>3,4</sup> (C\$MM)	\$147	\$118	\$73	\$20	\$358
ROE <sup>2,3,4</sup>	11%	16%	11%	7%	12%
# of Employees <sup>5,6</sup>	7,840	9,796	10,238	6,271	34,145

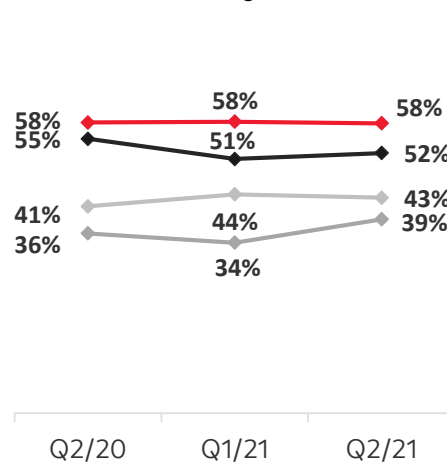
Total Deposit Growth<sup>7,8</sup>



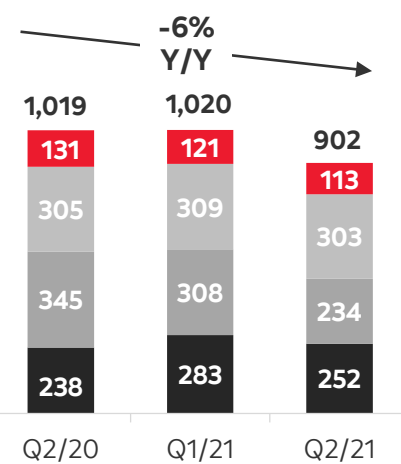
Total Loan Growth<sup>7,8</sup>



Productivity Ratio<sup>4</sup>



Total PTPP Growth<sup>4,7,8</sup>



■ Mexico ■ Peru ■ Chile ■ Colombia

<sup>1</sup>Ranking based on publicly traded banks by total loans market share, as of March, 2021; except Colombia as of February, 2021

<sup>2</sup>For the three months ended April 30, 2021

<sup>3</sup>For the three months ended April 30, 2021, not adjusted for currency

<sup>4</sup>Results on an adjusted basis

<sup>5</sup>Employees are reported on a full-time equivalent basis

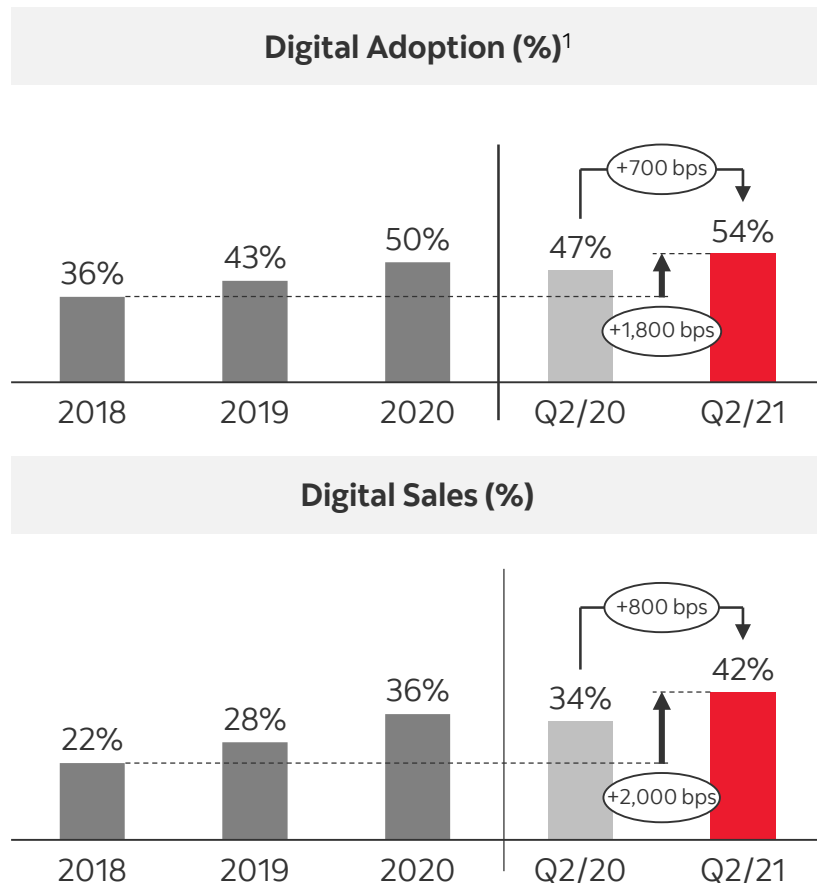
<sup>6</sup>As of April 30, 2021

<sup>7</sup>Y/Y and Q/Q growth rates (%) are on a constant dollar basis

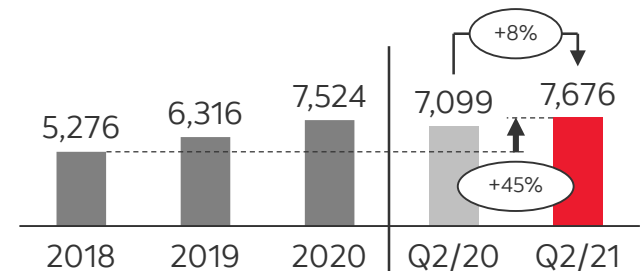
<sup>8</sup>May not add due to rounding

# Digital Progress: All-Bank

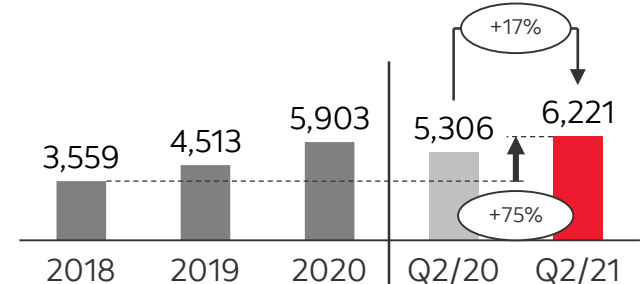
- **Canada:** Continued growth in self-serve transactions driven by higher mobile and online usage
- **Pacific Alliance:** Significant mobile user growth across all geographies, particularly in Peru and Mexico



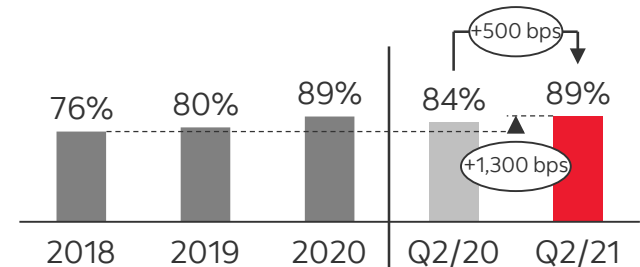
**Active Digital Users (#'000)<sup>3</sup>**



**Active Mobile Users (#'000)<sup>2,3</sup>**



**Self-Serve Transactions (%)<sup>3,4</sup>**



<sup>1</sup>CB Digital Adoption definition was updated in Q1/21 to reflect new addressable customer base, excluding indirect-channel acquisitions

<sup>2</sup>2018 and 2019 use historical estimation based on available mobile user data for Colombia and Chile

<sup>3</sup>New Digital metric introduced in Q1/21. Please see Appendix for additional definitions

<sup>4</sup>Prior periods from 2018 to 2020 have been restated in Q2/21 to align with current methodology

# Technology Strategy



- Build a strong and scalable platform foundation



- Cloud-first strategy for automation and speed

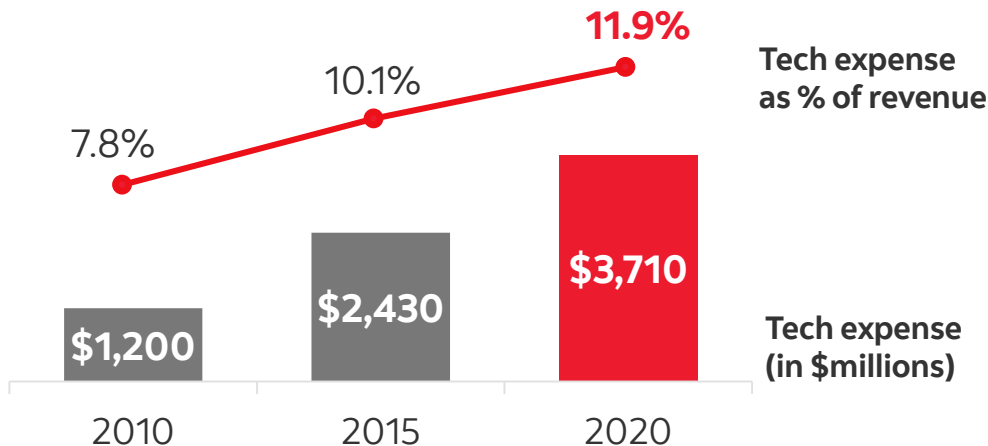


- Rebalance core technology spending towards modernization



- Maintain consistent investment in technology

## Investments in Technology



- Common systems
- Software re-use, best practice-sharing
- Consistent software design
- Customer-focused micro-services
- Analytics on real-time data
- Strong cyber-security foundation

# Fintech Strategy



## Embracing Fintech

- Scotiabank has embraced fintech and technology start-ups, acting as an advisor, partner, investor and customer
- The key objectives of Scotiabank's fintech strategy are:
  - Identify innovative companies, trends, and business models early
  - Test, learn, and implement fintech innovations
  - Drive an innovation culture at the Bank



## Partnership Approach

- Scotiabank partners with VCs to amplify our relevance and reach in the global ecosystem, enabling earlier and faster access to innovative companies.

### Canada

High-growth enterprise software firms in analytics, machine learning, and enterprise software

### Israel

High growth tech companies in fintech and cybersecurity

### Latam

Early-stage start-ups in digital banking and fintech



## Sample Focus Areas

- Credit adjudication
- Accessibility
- Natural language processing
- Personal financial management
- Customer experience and self-service
- Machine-learning modelling
- IT Modernization
- Fraud
- Anti-Money Laundering



## Sample Partnerships



A platform that provides insights and actionable money management



A platform that enables data scientists to develop and test models faster – Auto machine learning



A platform that specializes in behavioural biometrics for AML & Fraud purposes



# ESG Highlights

## Environmental

- Mobilized over \$28 billion since November 1, 2018, toward our commitment of \$100 billion by 2025 to reduce the impacts of climate change
- Commitment to establish bank-wide, quantitative, time-bound targets for reducing GHG emissions associated with our underwriting and lending activities
- Established a dedicated ESG Equity Research Team and launched a Sustainable Finance Group within Global Banking and Markets
- Implemented a Climate Change Risk Assessment tool for all business banking loans as a mandatory part of credit due diligence
- Updated Bank-wide credit policies published statements on our position to not finance oil and gas activities within the Arctic Circle, and thermal coal mining or coal power generation
- Established a target to secure 100% of electricity on a global basis from non-emitting sources<sup>1</sup> by 2030, with an interim 2025 target of 100% for Canadian operations

## Social

- Launched ScotiaRISE in January 2021, a 10-year, \$500 million initiative to promote economic resilience among disadvantaged groups
- Invested almost \$85 million in communities in which we operate, through donations, community sponsorships, employee volunteering, and other types of community investment
- Contributed over \$16 million to support people and communities most at risk during the pandemic, including direct contributions for COVID-19 relief, as well as support of hospitals and healthcare professionals
- Launched renewed five-year Diversity and Inclusion Goals, with a focus on people who identify as Black, Indigenous Peoples, Visible Minorities, People with Disabilities and Women
- Introduced a training module titled Building Indigenous Cultural Competency to help employees better understand and serve our Indigenous customers in Canada

## Governance

- For the third consecutive year, achieved top 1% in Corporate Governance among financial institutions globally according to the Dow Jones Sustainability Index, and awarded a perfect score on Anti-Crime Policies
- Strengthened approach to responsible procurement and supplier diversity by joining Canadian Aboriginal and Minority Supplier Council
- 42% of Board Directors are women<sup>2</sup>. We first established a Board Diversity Policy in 2013
- Spearheaded the development of Project Shadow, a public-private partnership designed to combat online child sexual exploitation by enhancing methods to detect, report and disrupt suspicious financial transactions
- Developed new internal training on ethics in artificial intelligence (AI) and delivered a data ethics workshop for executives



<sup>1</sup> Includes renewable (hydro, solar, wind, geothermal, tidal) and nuclear sources, and may include the use of renewable energy certificates (RECs).  
<sup>2</sup> As at April 30, 2021.

Note: The use by Scotiabank of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Scotiabank by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

# ESG Spotlight – Retail Banking

## Focus Areas

## Recent Achievements



### ESG Investing

#### Leadership in ESG Education

- Introduced Canada's first sustainable investing tools through Scotiabank's iTrade in 2017. Over 20,000 users interacted with the sustainable investing tool in 2020.
- iTrade continues to deliver online learning modules to customers interested in learning more about ESG issues.

#### Leadership in ESG Funds

- Launched four ESG focused funds in 2020, the Scotia Low Carbon Funds (Global Equity, Global Balanced, & Canadian Fixed Income) & the Dynamic Energy Evolution Fund for retail investors.
- These funds add to other ESG investing offerings, the ESG Equity Guided Portfolio, the Jarislowsky Fraser Fossil Fuel Free Funds and the MD Fossil Fuel Free Funds.



### Green Vehicles

#### Leadership in EV Incentives

- Scotiabank in Mexico has offered customers an incentivized credit plan to purchase an electric or hybrid vehicle through CrediAuto's Green Credit Program.
- Scotiabank in Canada launched an EV special on Earth Day, April 22. This program applies to all electric and hybrid vehicles through our non-subservent program with preferred rates/ reserves for the financing of eligible vehicles.

#### Leadership in EV Financing

- Scotiabank is a market leader in financing electric vehicles, having financed 43% of EVs in Canada in 2020.<sup>1</sup>
- Substantial booking growth for electric vehicles in 2019 at 248% YoY and 16% YoY growth in 2020.
- We have an exclusive relationship with **Polestar** and **Rivian** as well as a semi-exclusive relationship with **Tesla**.



### Housing

#### Leadership in Aboriginal Banking

- Scotiabank operates 27 Aboriginal Banking Centres in Canada providing communities with our full range of banking services.
- The First Nations Leasehold program provides financing options for leasehold interests on First Nations land being developed with residential housing.

#### Leadership in Newcomers Banking

- Scotiabank's StartRight® program addresses the unique banking needs of newcomers in Canada.
- The Scotiabank StartRight® permanent resident mortgage program and the Scotiabank StartRight® temporary resident mortgage program help facilitate newcomers' financing of home purchases.

<sup>1</sup>Represents bookings from Scotiabank subvented partners only.

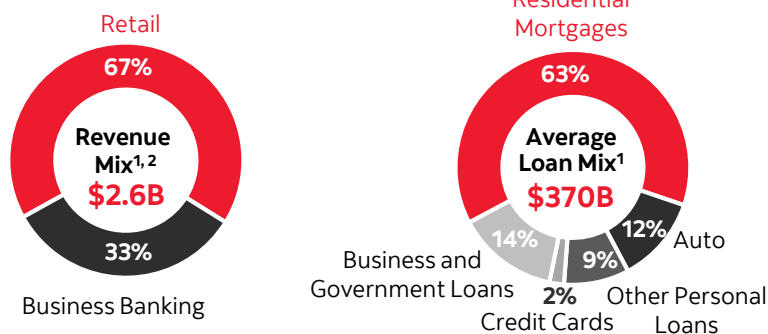
# **Business Line Overview**

## **Canadian Banking**

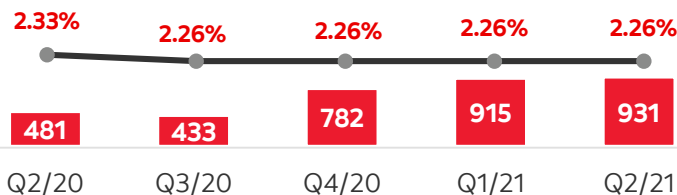
# Canadian Banking: Overview

**Canadian Banking** provides a full suite of financial advice and banking solutions, supported by an excellent customer experience, to over 11 million Retail, Small Business and Commercial Banking customers. Through Tangerine, Canadian Banking also provides digital banking solutions to over 2 million customers.

## Business Mix



## Adjusted Net Income<sup>3,4</sup> (\$MM) and NIM<sup>5</sup> (%)



## Medium-Term Financial Objectives

Net Income Growth <sup>3</sup>	Target <sup>7</sup> 5%+
Productivity Ratio	<44%
Operating Leverage	Positive

## Financial Results

	\$MM	Q2/21	Y/Y	Q/Q
<b>Reported</b>				
Net Income <sup>3</sup>		\$927	95%	2%
Pre-Tax, Pre Provision Profit		\$1,395	7%	(3%)
Revenue		\$2,624	4%	(1%)
Expenses		\$1,229	1%	2%
PCLs		\$145	(78%)	(32%)
Productivity Ratio		46.8%	(150 bps)	130 bps
Net Interest Margin <sup>5</sup>		2.26%	(7 bps)	-
PCL Ratio <sup>6</sup>		16 bps	(61 bps)	(7 bps)
PCL Ratio on Impaired Loans <sup>6</sup>		27 bps	(9 bps)	4 bps
<b>Adjusted<sup>4</sup></b>				
Net Income <sup>3</sup>		\$931	94%	2%
Pre-Tax, Pre Provision Profit		\$1,400	7%	(3%)
Expenses		\$1,224	1%	2%
Productivity Ratio		46.6%	(150 bps)	130 bps

<sup>1</sup>For the three months ended April 30, 2021; <sup>2</sup> Reflects the adoption of leases accounting standards, IFRS16; <sup>3</sup> Net income attributed to equity shareholders; <sup>4</sup> Adjusted for Acquisition related amounts" <sup>5</sup> Net Interest Margin is on a reported basis; <sup>6</sup> Provision for credit losses on certain assets – loans, acceptances and off-balance sheet exposures; <sup>7</sup> 3-5 year target from 2020 Investor Day

# Loan Portfolio

- **High Quality Residential Mortgage Portfolio**

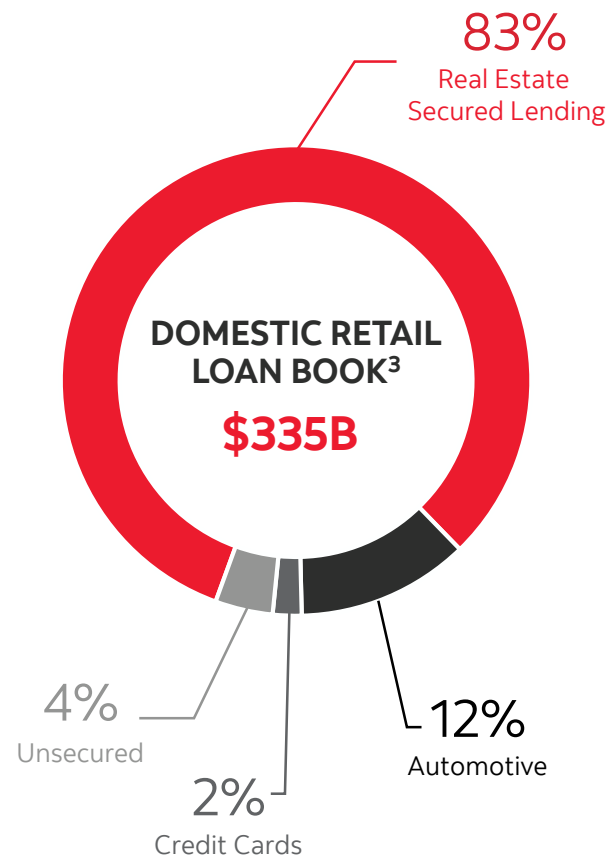
- 35% insured; remaining 65% uninsured has an LTV of 51%<sup>1</sup>
- Mortgage business model is “originate to hold”
- New originations<sup>2</sup> in Q2/21 had average LTV of 64.4%
- Majority is freehold properties; condominiums represent approximately 15% of the portfolio

- **Market Leader in Auto Loans**

- \$38.9 billion retail auto loan portfolio with 9 OEM relationships (5 exclusive)
- Prime Auto and Leases (~92%)
- Stable lending tenor with contractual terms for new originations averaging 77 months (6.5 years) with projected effective terms of 53 months (4.5 years)

- **Prudent Growth in Credit Cards**

- \$6 billion credit card portfolio represents ~2% of domestic retail loan book and ~1% of the Bank’s total loan book
- Organic growth strategy focused on payments and deepening relationships with existing customers



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

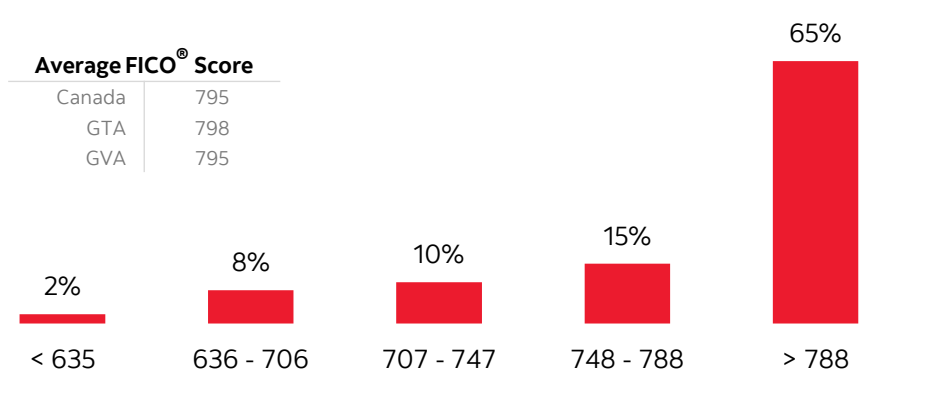
<sup>2</sup> New originations defined as newly originated uninsured residential mortgages and have equity lines of credit, which include mortgages for purchases refinances with a request for additional funds and transfer from other financial institutions

<sup>3</sup> Spot Balance as of April 30, 2021; Percentages may not add to 100% due to rounding

# Residential Mortgages

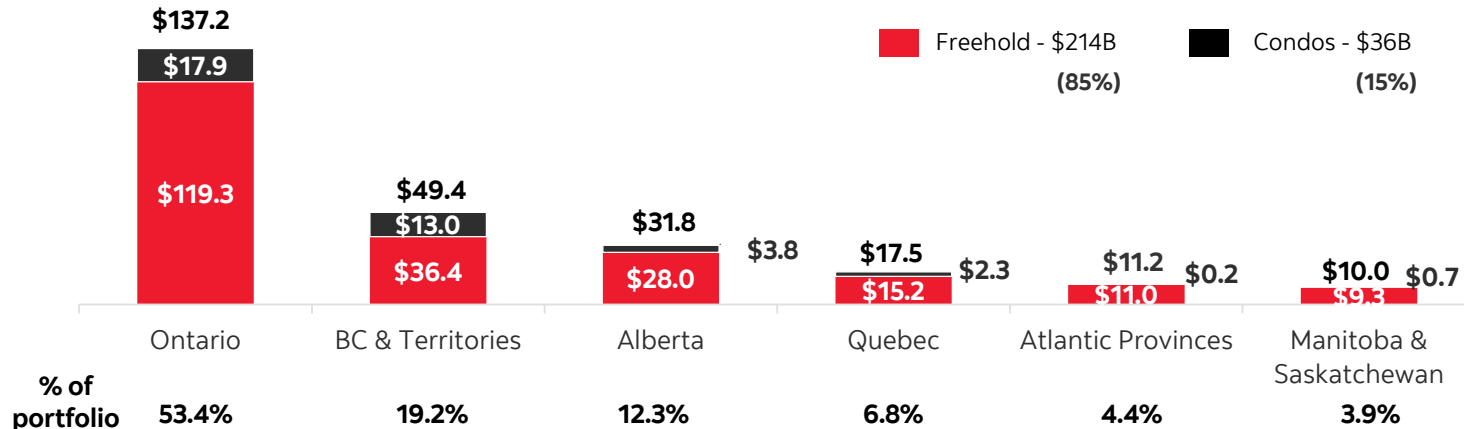
- **Four Distinct Distribution Channels<sup>1</sup>:** 1. Broker (~58%); 2. Branch (~20%); 3. Mobile Salesforce (~22%) and 4. eHOME (~1%)

## FICO® Distribution – Canadian Uninsured Portfolio<sup>2,3</sup>



	Q2-20	Q1-21	Q2-21
<b>Canada</b>			
Total Originations (\$B)	10.5	16.1	16.9
Uninsured LTV	64%	64%	64%
<b>Greater Toronto Area</b>			
Total Originations (\$B)	3.3	5.2	5.0
Uninsured LTV	62%	63%	63%
<b>Greater Vancouver Area</b>			
Total Originations (\$B)	1.4	1.9	2.1
Uninsured LTV	62%	62%	63%

## Canadian Mortgage Portfolio<sup>4</sup>: \$257B (Spot balances as at Q2/21, \$B)



<sup>1</sup> Sum of the parts might not add to 100% due to rounding

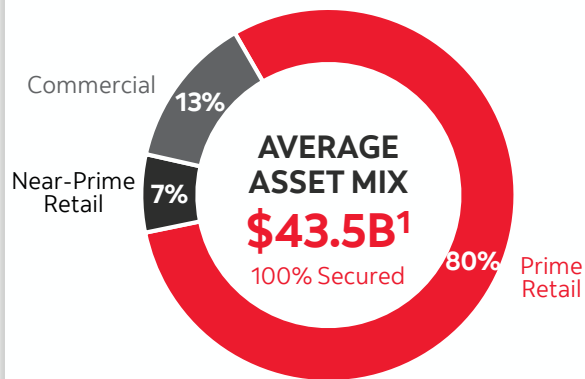
<sup>2</sup> FICO® distribution for Canadian uninsured portfolio based on score ranges at origination. FICO is a registered trademark of Fair Isaac Corporation

<sup>3</sup> LTV calculated based on the total outstanding balance secured by the property. Property values indexed using Teranet HPI data

<sup>4</sup> Includes Wealth Management

# Automotive Finance

- Canada's leader in automotive finance
- Provide personal and commercial dealer financing solutions, in partnership with nine leading global automotive manufacturers in Canada
- Portfolio decreased 4.9% year-over-year<sup>1</sup>. Personal down 1.4%, Commercial down 21.9%



## Exclusive Relationships

MAZDA VOLVO POLESTAR RIVIAN JAGUAR/LAND ROVER

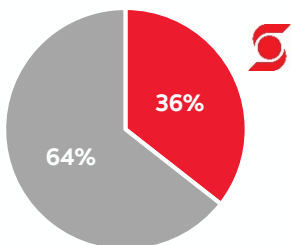
## Semi-Exclusive Relationships\*

HYUNDAI CHRYSLER GENERAL MOTORS TESLA

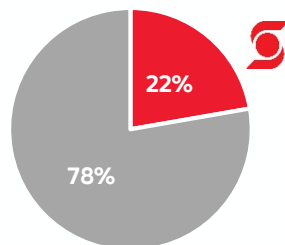
\* 1 to 2 other financial institutions comprise Semi-Exclusive relationships

## Market Share

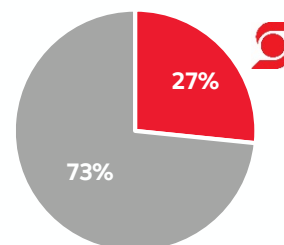
Prime Retail Market Share<sup>2</sup>



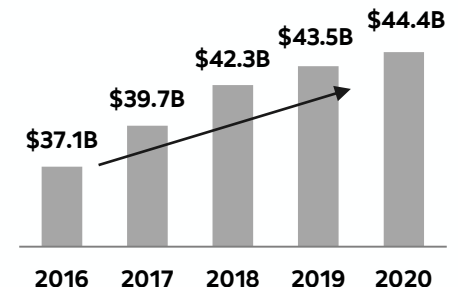
Near-Prime Retail Market Share<sup>3</sup>



Commercial Floorplan Market Share<sup>4</sup>



## Asset Growth



<sup>1</sup>For the three months ended April 30, 2021; <sup>2</sup>CBA data as of December 2020, includes RBC, CIBC, Canadian Western Bank, National Bank, TD, Scotiabank, Laurentian Bank; <sup>3</sup>DealerTrack Portal data, includes all Near-Prime Retail providers on DealerTrack Portal, data for April 2021 originations; <sup>4</sup>Includes BMO, CIBC, RBC, Scotiabank, TD, HSBC, Canadian Western Bank, Laurentian Bank, data as of December 2020

# **Business Line Overview**

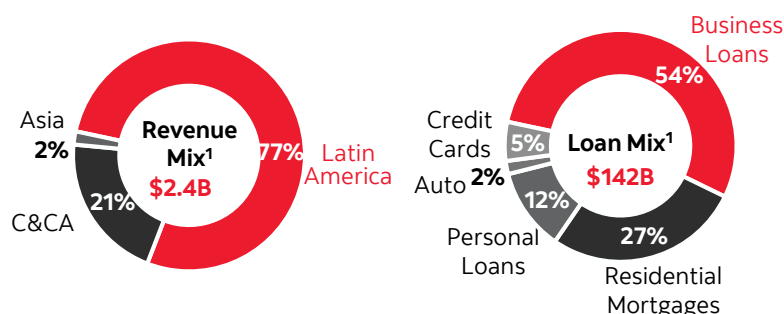
## **International Banking**



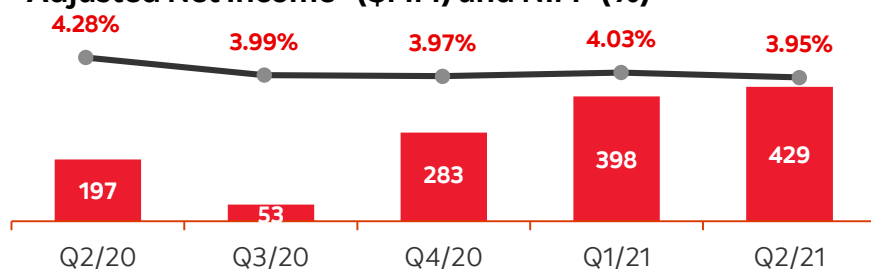
# International Banking

**International Banking** has a strong and diverse franchise with more than 10 million Retail, Corporate, and Commercial customers. International Banking continues to offer significant potential for the Bank, with a geographical footprint encompassing the Pacific Alliance countries of Mexico, Colombia, Peru and Chile as well as Central America and the Caribbean.

## Business Mix



## Adjusted Net Income<sup>3</sup> (\$MM) and NIM<sup>4</sup> (%)



## Medium-Term Financial Objectives

### Target<sup>6</sup>

Net Income Growth	9%+
Productivity Ratio	<50%
Operating Leverage	Positive

## Financial Results

	\$MM	Q2/21	Y/Y <sup>2</sup>	Q/Q <sup>2</sup>
<b>Reported</b>				
Net Income <sup>3</sup>	420		+203%	+12%
Pre-Tax, Pre Provision Profit	1,084		(5%)	(4%)
Revenue	2,378		(6%)	(5%)
Expenses	1,294		(6%)	(5%)
PCLs	396		(59%)	(22%)
Productivity Ratio	54.4%		+30 bps	(34 bps)
Net Interest Margin <sup>4</sup>	3.95%		(33 bps)	(8 bps)
PCL Ratio <sup>5</sup>	118 bps		(160 bps)	(31 bps)
PCL Ratio Impaired Loans <sup>5</sup>	2.81%		+136 bps	+131 bps
<b>Adjusted<sup>4</sup></b>				
Net Income <sup>3</sup>	429		+165%	+11%
Pre-Tax, Pre Provision Profit	1,095		(8%)	(4%)
Expenses	1,283		(4%)	(5%)
PCLs	396		(59%)	(22%)
Productivity Ratio	53.9%		+146 bps	(30 bps)

<sup>1</sup> For the 3 months ended April 30, 2021; <sup>2</sup> Y/Y and Q/Q growth rates (%) are on a constant dollars basis, while metrics and change in bps are on a reported basis; <sup>3</sup> Attributable to equity holders of the Bank; <sup>4</sup> Net Interest Margin is on a reported basis; <sup>5</sup> Provision for credit losses on certain assets – loans, acceptances and off-balance sheet exposures; <sup>6</sup> 3-5 year target from 2020 Investor Day

# PAC Fundamentals Driving Growth

## Strong Governance

- Democratic countries with open economies
- Independent central banks with inflation targets
- Free trade agreements and free-floating currencies
- Business-friendly environments

## Sound Macro Environment

- Diversified economies with strong GDP growth
- Resilience to economic and political cycles
- Low Debt/GDP ratios with relatively low fiscal deficits compared to G7
- Increasing adoption of banking services

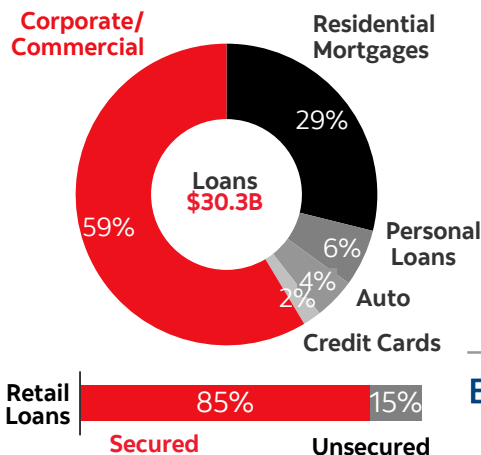
## Favourable Demographics

- 229 million people with median age of 30 years
- Rebounding domestic consumption
- Increasing exposure to Asian growth markets
- Among the fastest growing smartphone markets in the world
- Considerable growth in middle class

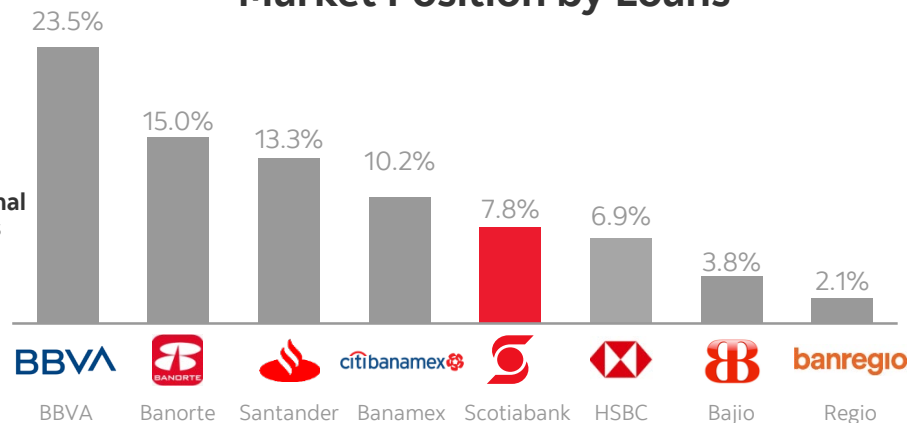
# Scotiabank in Mexico

## Business Overview

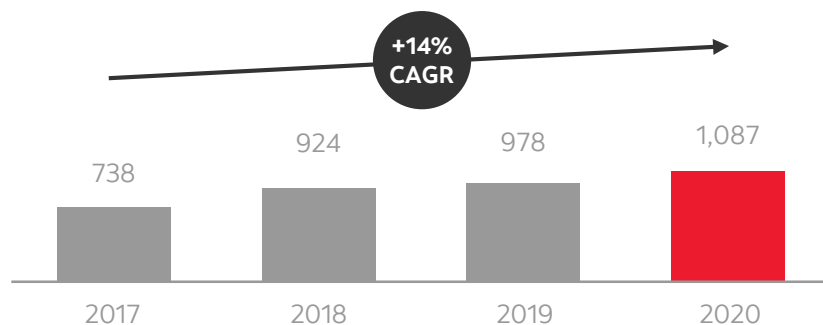
Customers	~3.1MM
Employees	~10,100
Branches <sup>1</sup>	531
Average Loans	\$30B
Average Deposits	\$28B
Total NIAT <sup>2,5</sup>	\$400MM
ROE <sup>3</sup>	12.1%
Productivity <sup>3</sup>	54.6%



## Market Position by Loans<sup>4</sup>



## PTPP Earnings



Constant currency

All figures in CAD\$ including Wealth Management

<sup>1</sup> Includes bank and wealth branches; does not include 177 Credito Familiar branches

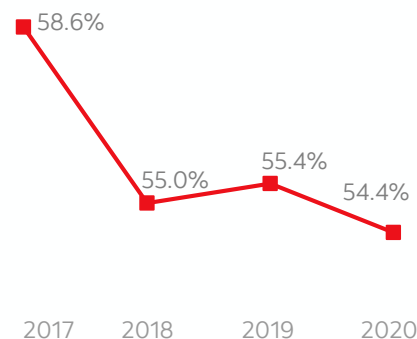
<sup>2</sup> LTM Q2/21

<sup>3</sup> Adjusted as Reported

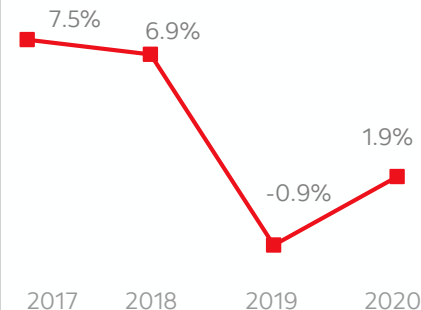
<sup>4</sup> Source: CNBV as of March 2021

<sup>5</sup> Adjusted after NCI

## Productivity Ratio



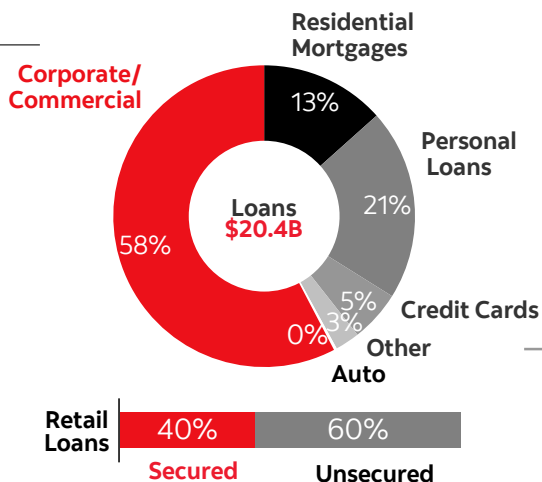
## Operating Leverage



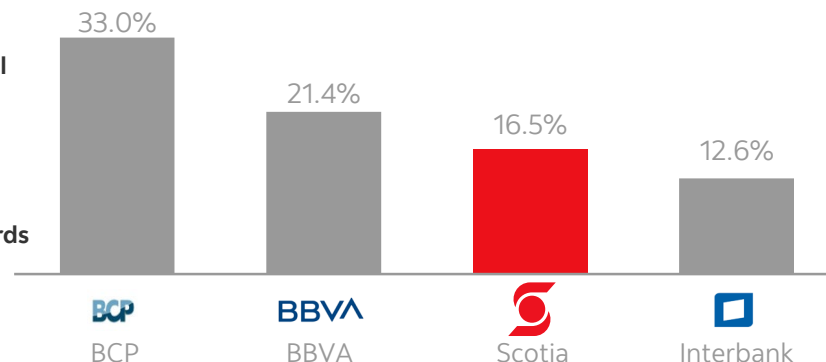
# Scotiabank in Peru

## Business Overview

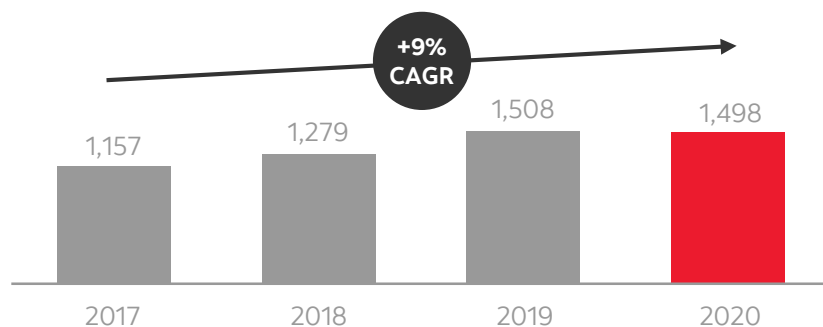
Customers <sup>1</sup>	~4.2MM
Employees <sup>1</sup>	~10,700
Branches <sup>1</sup>	294
Average Loans	\$20B
Average Deposits	\$16B
Total NIAT <sup>2,5</sup>	\$277MM
ROE <sup>3</sup>	8.5%
Productivity <sup>3</sup>	35.1%



## Market Position by Loans<sup>4</sup>



## PTPP Earnings



Constant currency

All figures in CAD\$ including Wealth Management

<sup>1</sup> Including subsidiaries

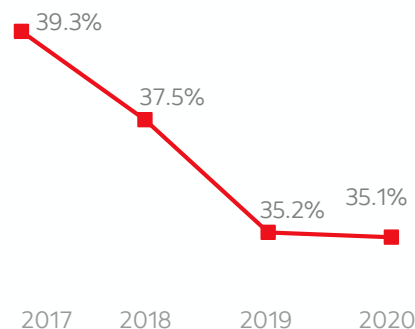
<sup>2</sup> LTM Q2/21

<sup>3</sup> Adjusted as Reported

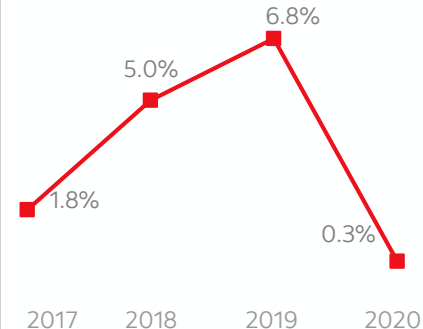
<sup>4</sup> Market share as of March 2021. Scotiabank includes SBP, CSF and Caja CAT

<sup>5</sup> Adjusted after NCI

## Productivity Ratio



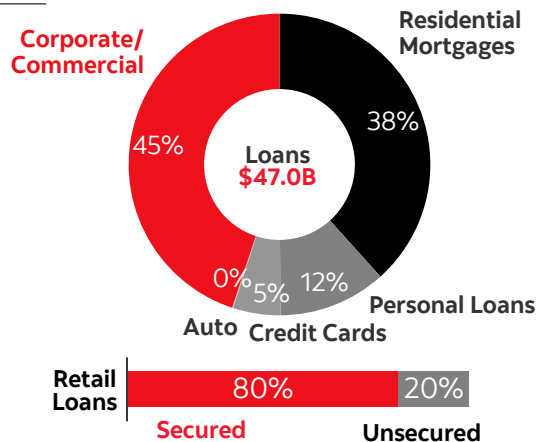
## Operating Leverage



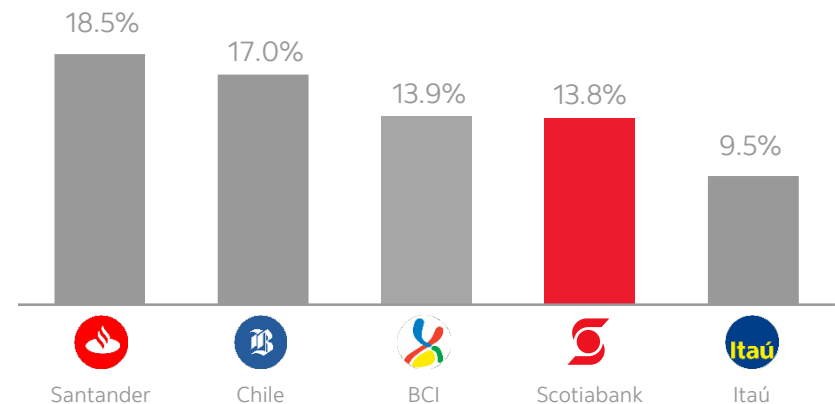
# Scotiabank in Chile

## Business Overview

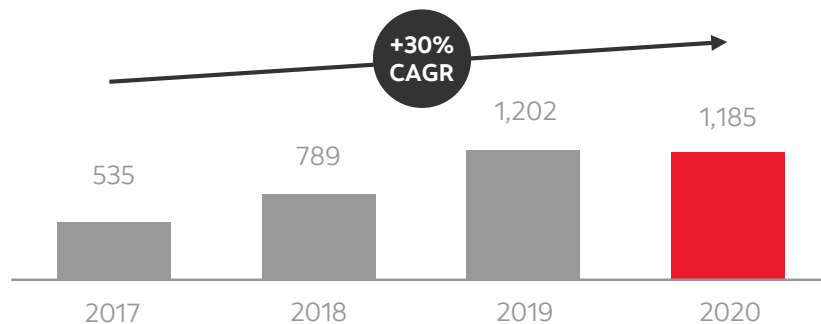
Customers <sup>1</sup>	~2.8MM
Employees	~7,900
Branches <sup>1</sup>	131
Average Loans	\$47B
Average Deposits	\$24B
Total NIAT <sup>2,5</sup>	\$444MM
ROE <sup>3</sup>	7.8%
Productivity <sup>3</sup>	43.9%



## Market Position by Loans<sup>4</sup>



## PTPP Earnings



Constant currency

All figures in CAD\$ including Wealth Management

<sup>1</sup> Includes affiliates & consumer microfinance

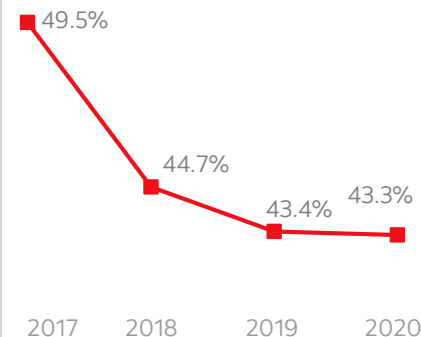
<sup>2</sup> LTM Q2/21

<sup>3</sup> Adjusted as Reported

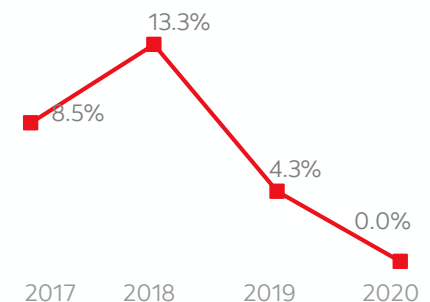
<sup>4</sup> Market share as of March 2021, includes only private banks, Source: CMF

<sup>5</sup> Adjusted after NCI

## Productivity Ratio



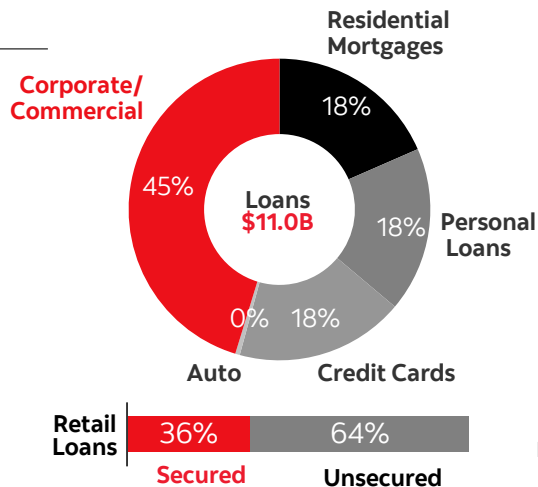
## Operating Leverage



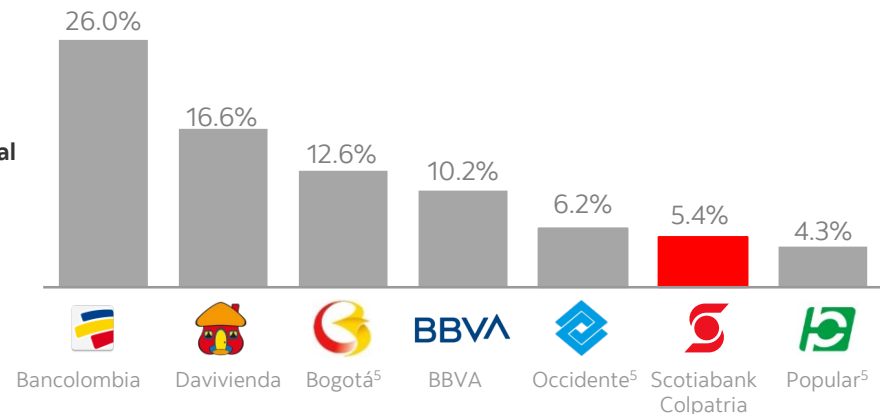
# Scotiabank in Colombia

## Business Overview

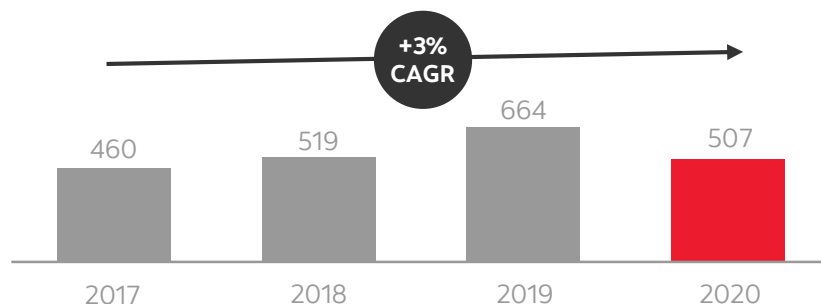
Customers <sup>1</sup>	~2.7MM
Employees	~6,500
Branches	152
Average Loans	\$11B
Average Deposits	\$10B
Total NIAT <sup>2,6</sup>	-\$3MM
ROE <sup>3</sup>	-0.4%
Productivity <sup>3</sup>	58.2%



## Market Position by Loans<sup>4</sup>



## PTPP Earnings



Constant currency

All figures in CAD\$ including Wealth Management

<sup>1</sup> Includes affiliates & consumer microfinance

<sup>2</sup> LTM Q2/21

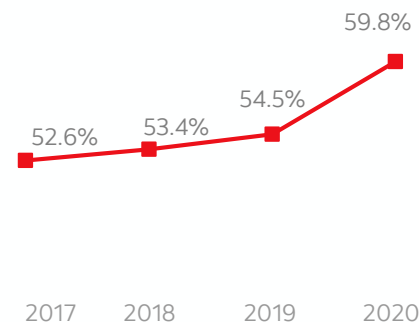
<sup>3</sup> Adjusted as Reported

<sup>4</sup> Market share as of February 2021

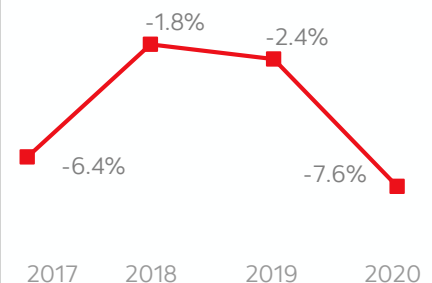
<sup>5</sup> Members of AVAL Group: Banco de Bogotá, Banco de Occidente, Banco Popular and Banco AV Villas.

<sup>6</sup> Adjusted after NCI

## Productivity Ratio



## Operating Leverage



# Other Regions

## Leading Caribbean & Central American franchise

### Caribbean & Central America

- Leading bank serving retail, commercial, and corporate customers
- Major markets include the Dominican Republic, Jamaica, Trinidad & Tobago, Costa Rica, Panama and The Bahamas
- Sharpened geographic footprint by exiting higher risk, low growth jurisdictions including Haiti, El Salvador, Puerto Rico, US Virgin Islands, British Virgin Islands, Belize and 8 of the Leeward Islands



#### **Dominican Republic: #4 bank**

- Acquired Banco Dominicano del Progreso in 2019

### Asia



#### **China: ~18% interest in Bank of Xi'an**

- CAD \$935MM carrying value as of April 30, 2021
- Bank of Xi'an reported \$511MM of net income for the twelve months ended October 31, 2020, of which Scotiabank's share is 18%

# **Business Line Overview**

# **Global Wealth Management**

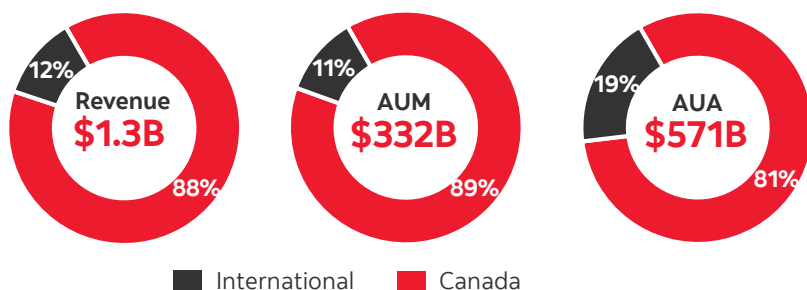


# Global Wealth Management

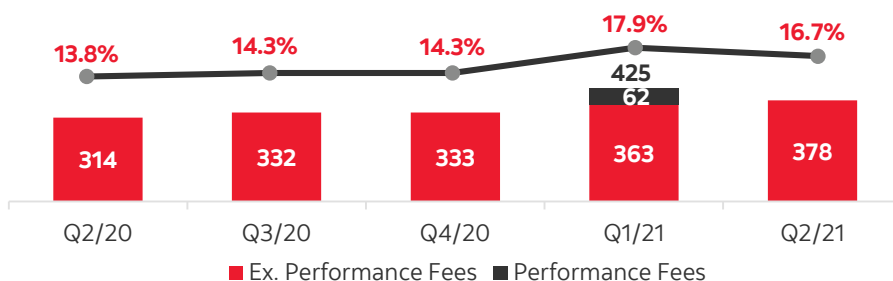
3rd Largest Wealth Management Business in Canada<sup>1</sup>

**Global Wealth Management** is focused on delivering comprehensive wealth management advice and solutions to clients across Scotiabank's footprint.

## Business Overview<sup>2</sup>



## Adjusted Net income<sup>3,4</sup> (\$MM) and ROE<sup>3</sup> (%)



## Medium-Term Financial Objectives

	Target <sup>5</sup>
Net Income Growth	8%+
Productivity Ratio	<65%
Operating Leverage	Positive

## Financial Results

\$MM, except AUM/AUA	Q2/21	Y/Y	Q/Q
<b>Reported</b>			
Net Income <sup>4</sup>	\$372	23%	(11%)
Pre-Tax, Pre Provision Profit	\$506	23%	(12%)
Revenue	\$1,308	16%	(6%)
Expenses	\$802	12%	(2%)
PCLs	(\$2)	nmf	nmf
Productivity Ratio	61.3%	(210 bps)	250 bps
AUM (\$B)	\$332	19%	6%
AUA (\$B)	\$571	20%	4%
<b>Adjusted<sup>2</sup></b>			
Net Income <sup>4</sup>	\$378	21%	(11%)
Pre-Tax, Pre Provision Profit	\$516	20%	(11%)
Expenses	\$792	14%	(2%)
Productivity Ratio	60.6%	(130 bps)	250 bps

<sup>1</sup>Based on Total Net Income for publicly traded banks in Canada for the fiscal year ended October 31, 2020; <sup>2</sup>Figures as of April 30, 2021 or for the 3 months ended April 30, 2021; <sup>3</sup>Adjusted for Acquisition-related costs and impact of additional pessimistic scenario; <sup>4</sup>Attributable to equity holders of the Bank; <sup>5</sup>3-5 year target from 2020 Investor Day

# Global Wealth Management

# 2 in earnings growth<sup>1</sup> | #1 in revenue growth<sup>1</sup> | #1 operating leverage relative to peers<sup>1</sup>

## 3<sup>rd</sup> Largest Wealth Management Business in Canada<sup>1</sup>



### Investment Management

A broad selection of actively managed investment solutions from our innovative manufacturing platform.

Mutual Funds

ETFs

Pooled Funds

Segregated Portfolios

Institutional Asset Management

ScotiaFunds.

Dynamic Funds\*

JARISLOWSKY  
FRASER



### Distribution Channels

A powerful advisory and distribution network across Canada and Latin America.

Private Investment Counsel

Full-Service Brokerage

Private Banking

Trust Services

Online Brokerage

Retail Bank Branch Network

Mobile Advice Team

3<sup>rd</sup> Party Distributors

Scotia  
Wealth Management.



Scotia iTRADE.

Scotiabank.  
Branch / mobile advice team

<sup>1</sup> Figures as of January 31, 2021

# Global Wealth Management

Strong investment performance, increasing scale

## Market-Leading Capabilities

### Award-Winning Investment Management

- Dynamic Funds ranked #1 among independent mutual fund companies, for 5-year returns
- Scotia GAM ranked #2 for retail mutual fund net sales among banks in Q2 and FYTD
- Scotia GAM won 20 Lipper Fund Awards and 41 FundGrade A+ awards (Dynamic Funds & ScotiaFunds)
- Mexico Asset Management awarded Morningstar's best Asset Manager in the Balanced Funds category
- Chile Asset Management received 6 Premios Salmon mutual fund awards
- Chile Asset Management awarded Best International Funds manager
- Chile's Scotia Futuro Mutual Fund won the Salmon award from LVA Indices

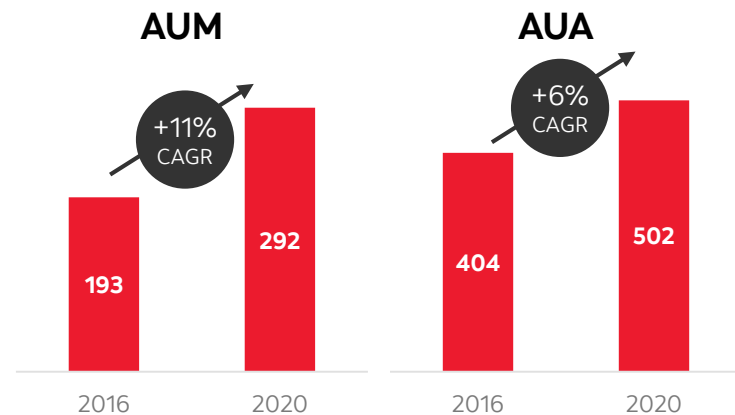
### Investment Performance Highlights<sup>1</sup>

**76%** of assets in the **top two quartiles** over five-year period – **1832 Asset Management**

**75%** of core funds in the **top two quartiles** over five-year period – **Jarislowsky Fraser**

### Tailored Advice

- Largest Private Investment Counsel business in Canada (*SWM, MD, JFL, PIC*)
- 2021 World's Best Private Banks awards in Peru and Bahamas (*Global Finance*)
- Two Captive International Cayman awards for the Bank of the Year and Letters of Credit and Trust Provider of the Year
- #2 Bank-Owned Brokerage Firm (*Investment Executive Brokerage Report Card, 2021*)



<sup>1</sup>October 2020

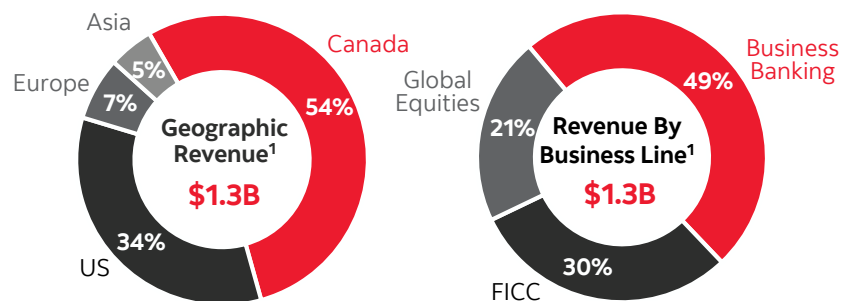
# **Business Line Overview**

## **Global Banking and Markets**

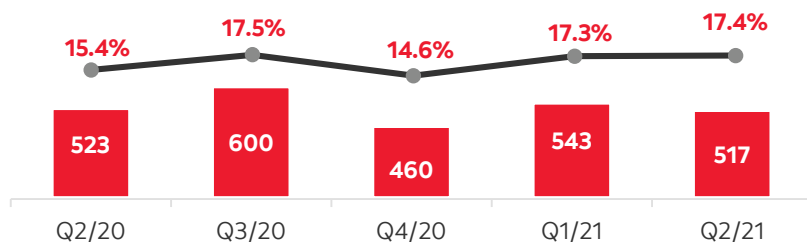
# Global Banking and Markets

**Global Banking and Markets (GBM)** provides corporate clients with lending and transaction services, investment banking advice and access to capital markets. GBM is a **full service wholesale bank in the Americas**, with operations in 21 countries, serving clients across Canada, the United States, Latin America, Europe and Asia-Pacific.

## Business Overview



## Adjusted Net Income<sup>2,3</sup> (\$MM) and ROE<sup>3</sup> (%)



## Medium-Term Financial Objectives

	Target <sup>5</sup>
Net Income Growth	~5%
Productivity Ratio	~50%
Operating Leverage	Positive

## Financial Results

	\$MM	Q2/21	Y/Y	Q/Q
<b>Reported</b>				
Net Income <sup>2</sup>		\$517	(1%)	(5%)
Pre-Tax, Pre Provision Profit		\$624	(26%)	(14%)
Revenue		\$1,257	(14%)	(6%)
Expenses		\$633	3%	3%
PCLs		(\$43)	nmf	nmf
Productivity Ratio		50.3%	810 bps	430 bps
PCL Ratio <sup>4</sup>		(18 bps)	(72 bps)	(26 bps)
PCL Ratio Impaired Loans <sup>4</sup>		5 bps	(4 bps)	(1 bp)

<sup>1</sup>TEB Revenue for the 3 months ended April 30, 2021. Note GBM Latam revenue contribution is reported in International Banking results; <sup>2</sup>Attributable to equity holders of the Bank; <sup>3</sup>Adjusted for impact of additional pessimistic scenario; <sup>4</sup>Provision for credit losses on certain assets – loans, acceptances and off-balance sheet exposures; <sup>5</sup>3-5 year target from 2020 Investor Day

# GBM in US and Latam

Delivering the full bank to meet our Americas clients' needs

- **Wholesale bank in the US:** Corporate & Investment Banking, Capital Markets, Cash Management and Trade Finance
- **Top 10 foreign bank organization (FBO)** in the US
- Client list focused on S&P 500, investment grade corporates
- Current sectors of strength include: Power & Utilities and Energy. Focus areas for growth include Consumer /Industrial /Retail (CIR), Technology, and Healthcare

US <sup>1</sup>		Latam <sup>1</sup>
\$427 million	<b>Revenue</b>	\$362 million
\$37 billion	<b>Average Loans</b>	\$43 billion
\$86 billion	<b>Average Deposits</b>	\$22 billion
\$177 million	<b>Total NIAT</b>	\$169 million
55.3%	<b>Productivity</b>	29.6%
5	<b>Offices</b>	9

- **Wholesale bank in Latam:** Advisory, financing and risk management solutions, and access to capital markets
- **Only full-service corporate/commercial bank** with local presence in all Pacific Alliance countries
- Enhanced connectivity to rest of Americas, Europe and Asia
- Top tier lending relationships with local and multi-national corporate clients
- Focused on Pacific Alliance expansion and modernization of technology platforms



**FORTUNA**  
SILVER MINES INC.

is merging with

**Roxgold**

for

**US\$822,000,000**

**Financial Advisor**

Pending



has sold a 30% minority interest in its Mantoverde mine to

**MITSUBISHI MATERIALS**

for

**US\$263,000,000**

**Financial Advisor**

February 2021

**KKR**

Acquired a 60% stake of

**Telefonica**

Chile Fiber Assets at an EV of:

**~US\$1,000,000,000**

TLB, Capex, & RCF financing totaling

**US\$386,000,000**

**Financial Advisor, Joint Global Arranger and Joint Bookrunner**  
February 2021



has sold a precious metals stream from its Condestable mine to



**Franco-Nevada**

for

**US\$165,000,000**

**Financial Advisor**

March 2021

**PetroRio**

Acquisition of 28.57% non-op WI in Wahoo asset in offshore Brazil from



**TOTAL**

**Undisclosed**

**Financial Advisor**

March 2021

**vesta**

Follow-on

**Scotiabank**

for

**US\$229,000,000**

**International and Local Joint Bookrunner**

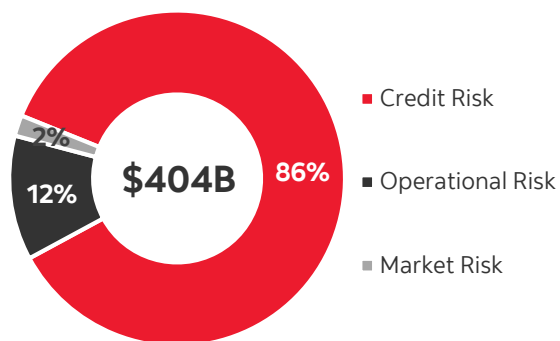
April 2021

<sup>1</sup>Figures for fiscal Q2 /21

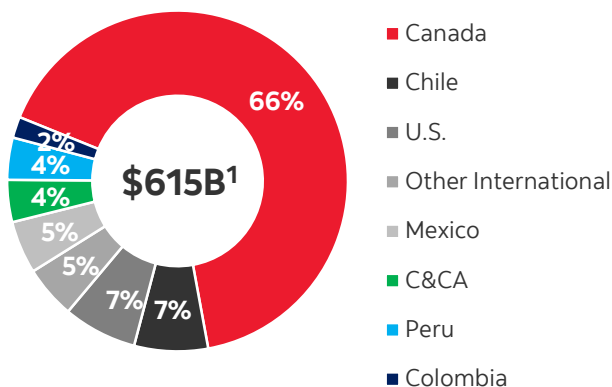
# Risk Overview

# Risk Snapshot

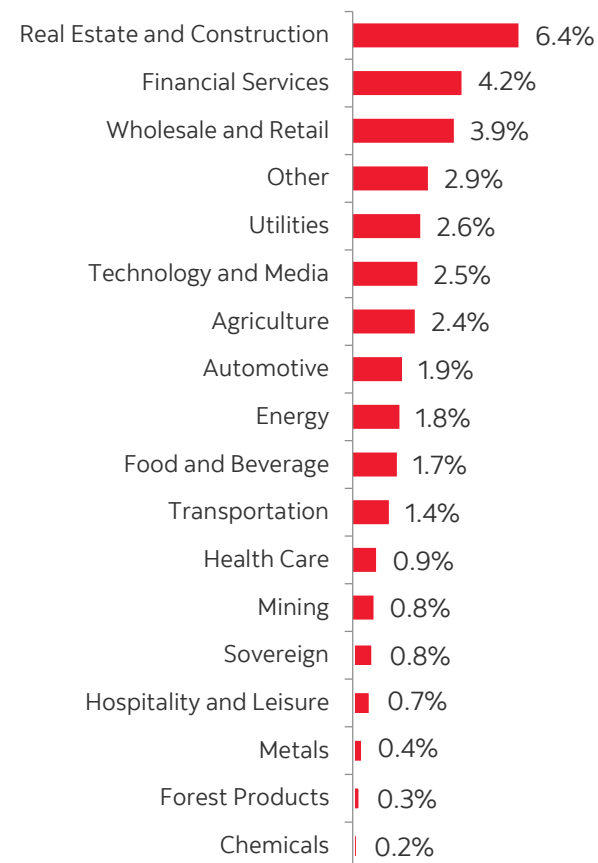
## RWA Breakdown<sup>1</sup>



## Credit Exposure by Country<sup>2,3</sup>

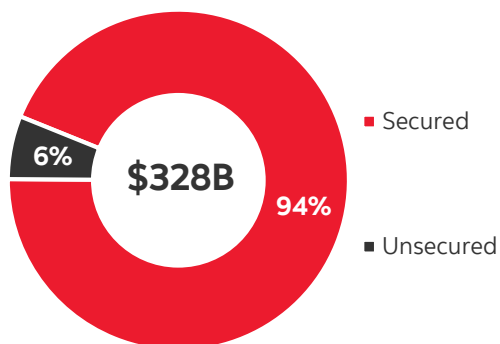


## Credit Exposure by Sector<sup>1,2,4</sup>

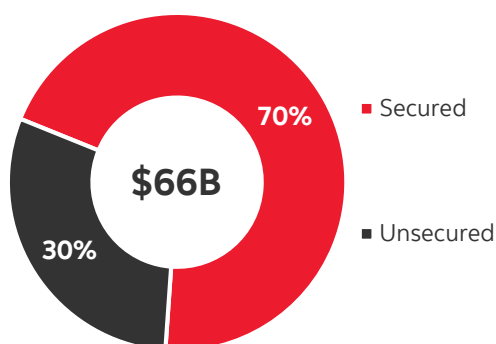


## Personal & Commercial Lending

### Canadian Banking<sup>1,2</sup>



### International Banking<sup>1,2</sup>



<sup>1</sup> As at April 30, 2021

<sup>2</sup> % of total loans and acceptances

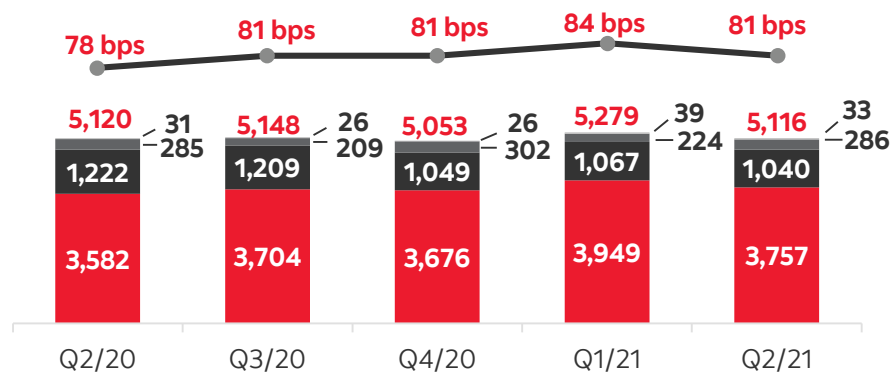
<sup>3</sup> As at October 31, 2020

<sup>4</sup> Regulated/contracted midstream has been moved from Energy to Utilities as of Q1/21. Prior periods have been restated to conform to the current presentation



# Credit Quality

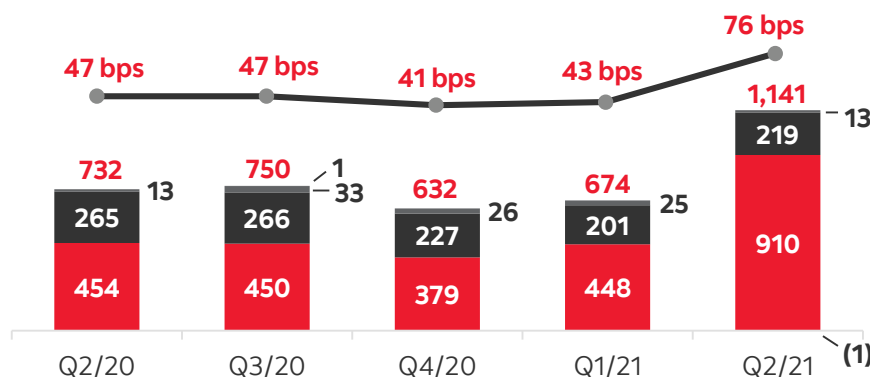
GILs<sup>1</sup> (\$MM) AND GIL RATIO<sup>1</sup>



## HIGHLIGHTS

- GIL ratio improved 3 bps Q/Q driven by the impact of foreign currency translation and higher write-offs in International Retail Banking
- GILs in Business Banking were stable, with new formations driven mainly by two accounts

NET WRITE-OFFS (\$MM)<sup>2</sup> AND NET WRITE-OFFS RATIO<sup>2,3</sup>



## HIGHLIGHTS

- Increased write-offs driven by International Retail Banking
- Business Banking write-offs were stable and trending towards pre-pandemic levels
- Peak quarter for write-offs

■ International Banking 
 ■ Canadian Banking 
 ■ Global Banking and Markets 
 ■ Global Wealth Management

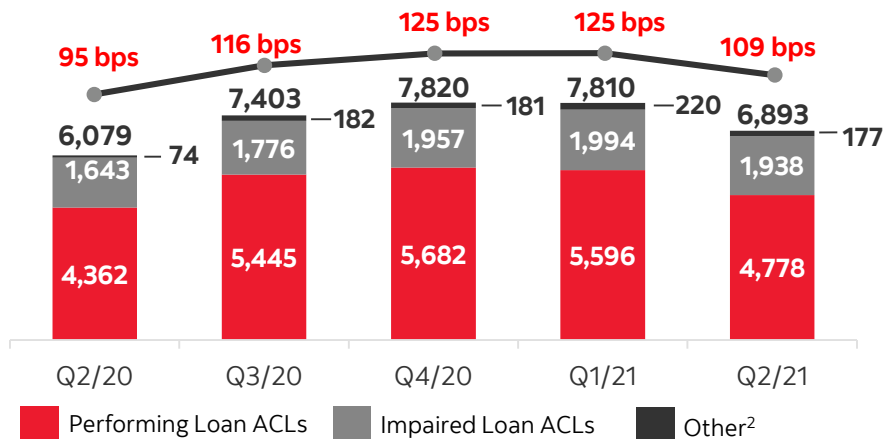
<sup>1</sup> As a percentage of period end loans and acceptances

<sup>2</sup> Net write-offs are net of recoveries

<sup>3</sup> As a percentage of average net loans and acceptances

# Credit Performance

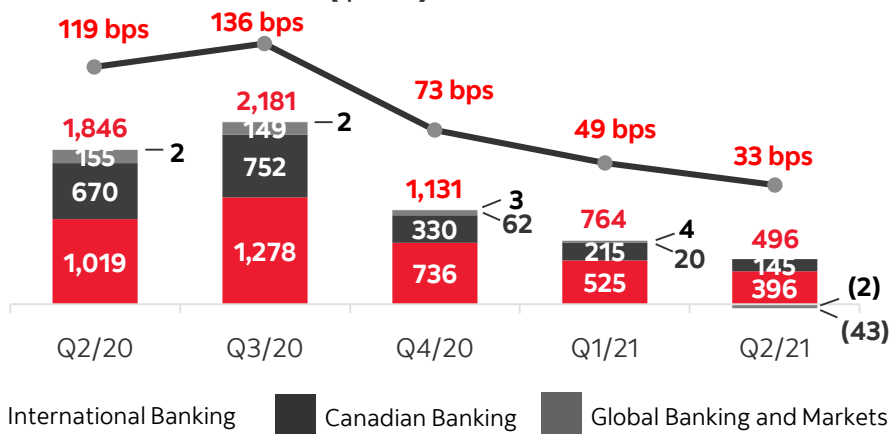
## TOTAL ACLs (\$MM) AND ACL COVERAGE RATIO<sup>1</sup>



## HIGHLIGHTS

- \$6.9 billion in total ACLs (35% above pre-pandemic levels)
- Performing loan ACLs decreased 15% from the prior quarter
- Total ACLs represents ~10 quarters of net write-offs
- Total ACL coverage ratio of 109 bps

## TOTAL PCLs (\$MM)<sup>3,4</sup> AND PCL RATIO



## HIGHLIGHTS

- Total PCL ratio of 33 bps decreased 86 bps Y/Y and 16 bps Q/Q
- The Q/Q improvement was driven mainly by performing ACL releases due to a more favourable credit quality and macroeconomic outlook and migration to Stage 3 PCL

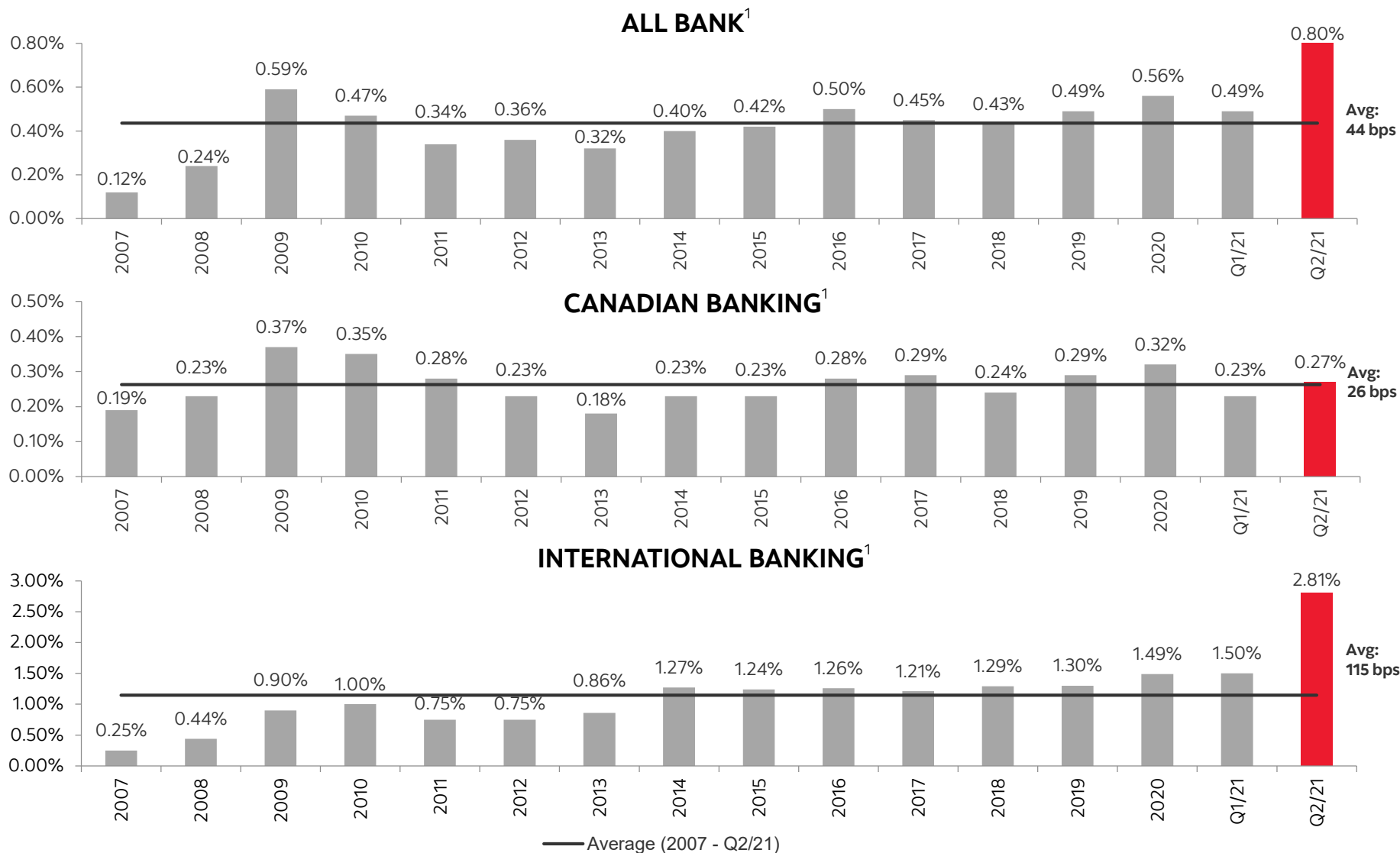
<sup>1</sup> ACL coverage ratio defined as period end ACLs divided by gross loans

<sup>2</sup> Includes ACLs on off-balance sheet exposures and ACLs on acceptances, debt securities and deposits with financial institutions

<sup>3</sup> Includes provision for credit losses on debt securities and deposit with banks in International Banking (Q1/20: -\$1 million, Q2/20: \$1 million, Q4/20: -\$1 million), in Global Banking and Markets (Q3/20: \$1 million, Q4/20: -\$1 million), in Global Wealth Management (Q3/20: -\$1 million) and in Other (Q1/20: \$1 million, Q2/20: -\$2 million, Q4/20: \$2 million)

<sup>4</sup> Other includes provisions for credit losses in Global Wealth Management of -\$2 million (Q2/20: \$2 million, Q3/20: \$1 million, Q4/20: \$3 million, Q1/21: \$4 million)

# Historical PCL Ratios on Impaired Loans



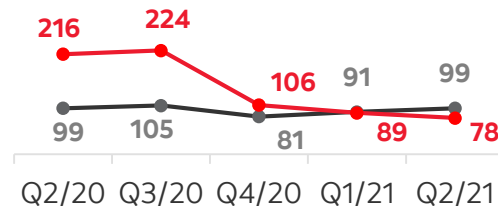
<sup>1</sup>Provision for credit losses on certain assets – loans, acceptances and off-balance sheet exposures

# Canadian Retail: Loans and Provisions<sup>1</sup>

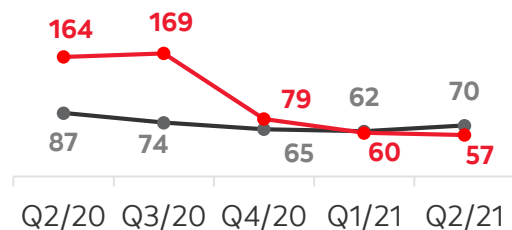
## MORTGAGES



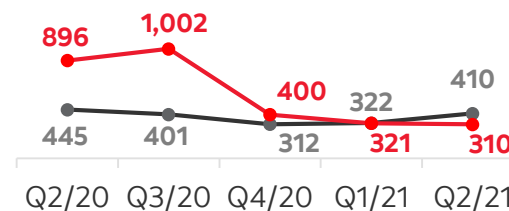
## AUTO LOANS



## Lines of Credit<sup>2</sup>



## CREDIT CARDS



● PCL as a % of avg. net loans (bps)

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

Loan Balances Q2/21	Mortgages	Auto Loans	Lines of Credit <sup>2</sup>	Credit Cards	Total
Spot (\$B)	\$257	\$39	\$32	\$6	\$335 <sup>3</sup>
% Secured	100%	100%	64%	2%	94% <sup>4</sup>

<sup>1</sup> Includes Wealth Management. PCL excludes impact of additional pessimistic scenario

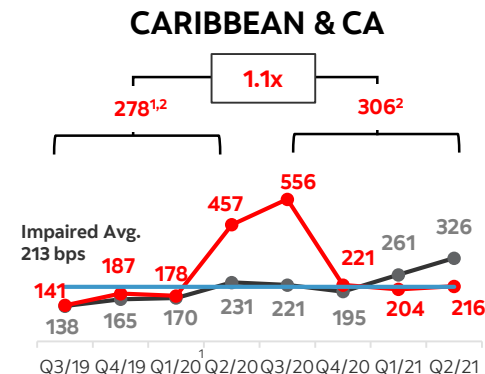
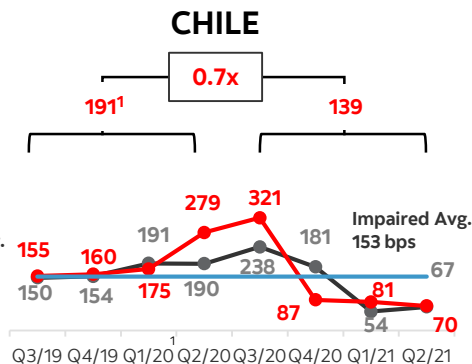
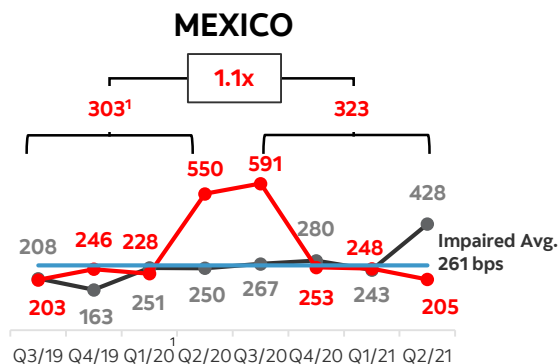
<sup>2</sup> Includes Home Equity Lines of Credit and Unsecured Lines of Credit

<sup>3</sup> Includes Tangerine balances of \$6 billion and other smaller portfolios

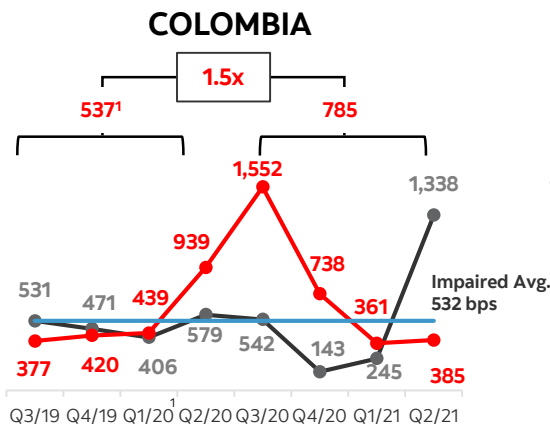
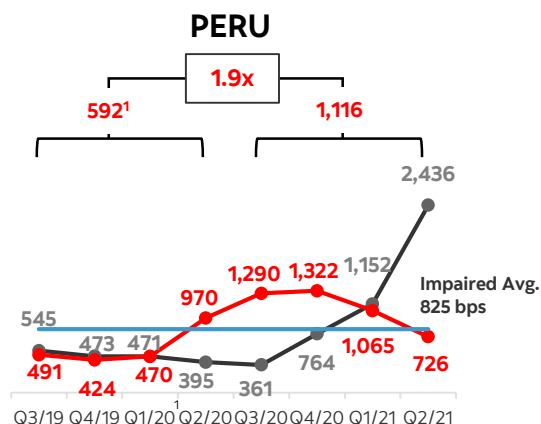
<sup>4</sup> 82% secured by real estate; 12% secured by automotive

# International Retail: Loans and Provisions

Markets with  
Greater  
Weighting to  
Secured



Markets with  
Greater  
Weighting to  
Unsecured



- Higher impaired PCLs in Peru and Colombia are driven by the expiry of deferral programs and the higher unsecured balances. This has been appropriately provided for in prior quarters.

● PCL as a % of avg. net loans (bps) ● PCLs on Impaired Loans as a % of avg. net loans (bps) — Average Impaired PCL % (Q3/19-Q2/21)

Loan Balances Q2/21	Mexico	Peru	Chile	Colombia	Caribbean & CA	Total <sup>3</sup>
Secured (\$B)	\$10	\$3	\$21	\$2	\$8	\$45
Unsecured (\$B)	\$2	\$5	\$5	\$4	\$3	\$19
Spot Total (\$B)	\$12	\$8	\$26	\$6	\$11	\$64

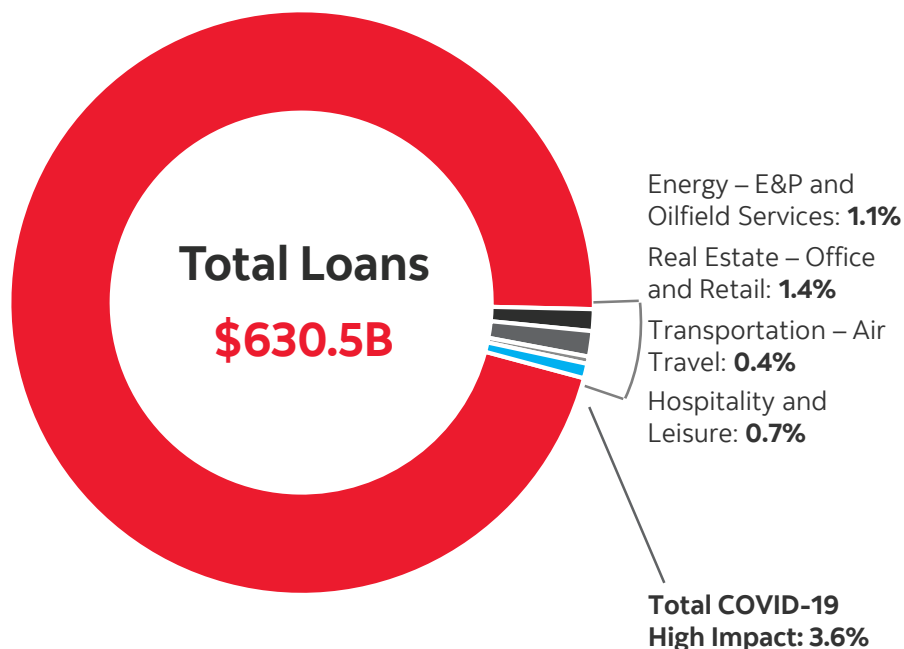
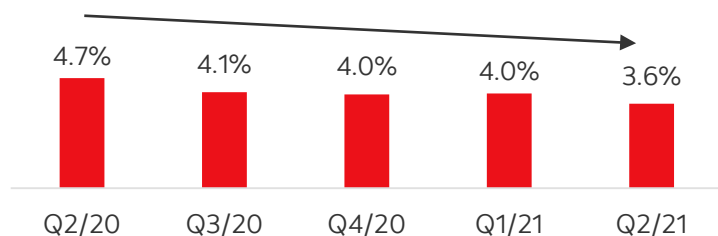
<sup>1</sup> PCL excludes impact of additional pessimistic scenario

<sup>2</sup> Excludes impact of divested operations

<sup>3</sup> Total includes other smaller portfolios

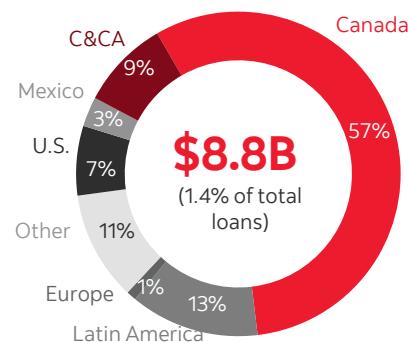
# Sectors Most Impacted by COVID-19<sup>1</sup>

Most Impacted Sectors as a % of Total Loans

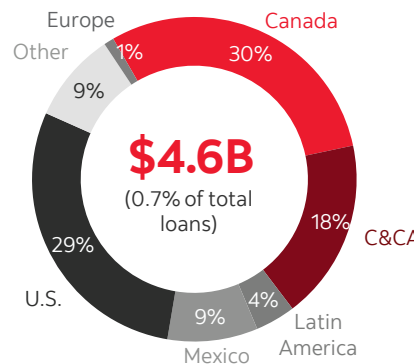


<sup>1</sup> Sectors which have experienced the greatest disruption in normal business activities and impact to revenue due to the COVID-19 pandemic (including, but not limited to, government-mandated closures) relative to other sectors

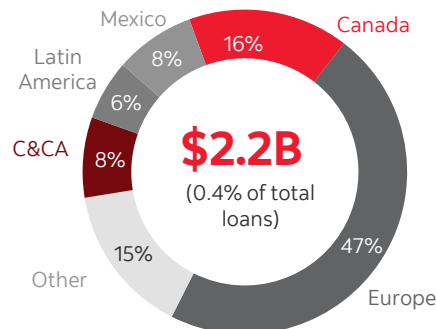
<sup>2</sup> May not add due to rounding



	\$B	%IG
Office REIT	1.1	70%
Office Real Estate	3.7	52%
Retail REIT	1.0	100%
Retail Real Estate	2.9	43%
<b>Total<sup>2</sup></b>	<b>8.8</b>	<b>57%</b>



	\$B	%IG
Hotels	3.6	17%
Cruise Lines	0.3	0%
Gaming	0.7	0%
<b>Total<sup>2</sup></b>	<b>4.6</b>	<b>13%</b>



	\$B	%IG
Aircraft Finance	0.7	98%
Airlines	0.3	4%
Airports	1.2	48%
<b>Total<sup>2</sup></b>	<b>\$2.2</b>	<b>59%</b>

**46**

# Treasury and Funding

# Highlights

## Strong liquidity, stable funding

- **Liquidity well in excess of regulatory requirements**
  - LCR of 129%, flat Q/Q and -3% Y/Y
  - HQLA of \$201B, -\$12B Q/Q and +\$13B Y/Y, is substantially comprised of Level 1 assets
  - Pacific Alliance countries LCRs of 146% - 173%
- **Stability of funding reflected in NSFR of 112%**
- **24.2% TLAC is above 22.5% regulatory minimum required by November 1, 2021**
- **Wholesale funding metrics are favourable**
  - Wholesale funding of \$193B, down \$4B Q/Q and \$68B Y/Y
  - Wholesale funding / total assets increased modestly Q/Q to 17.1% from 16.9%
  - Deposit retention and muted asset growth mitigating requirement for wholesale funding



# Funding Strategy

## Diversified funding sources

- Increase contribution from customer deposits
- Continue to reduce wholesale funding utilization while building TLAC
- Maintain balance between efficiency, stability of funding and pricing relative to peers
- Diversify funding by type, currency, program, tenor and source/market
- Utilize a centralized (head office managed) funding and associated risk management approach

<sup>1</sup> In addition to the programs listed, there are also CD programs in the following currencies: Yankee/USD, EUR, GBP, AUD, HKD

## Funding Programs<sup>1</sup>



### US Debt & Equity Shelf

(senior / subordinated debt, preferred and common shares)  
Limit – USD 40 billion



### Global Registered Covered Bond Program

(uninsured Canadian mortgages)  
Limit – CAD 100 billion



### EMTN Shelf

Limit – USD 20 billion



### CAD Debt & Equity Shelf

(senior / subordinated debt, preferred and common shares)  
Limit – CAD 15 billion



### START ABS program (indirect auto loans)

Limit – CAD 15 billion



### Australian MTN program

Limit – AUD 8 billion



### Singapore MTN program

Limit – USD 12 billion



### Halifax ABS shelf (unsecured lines of credit)

Limit – CAD 7 billion



### Principal at Risk (PAR) Note shelf

Limit – CAD 6 billion



### Trillium ABS shelf (credit cards)

Limit – CAD 5 billion

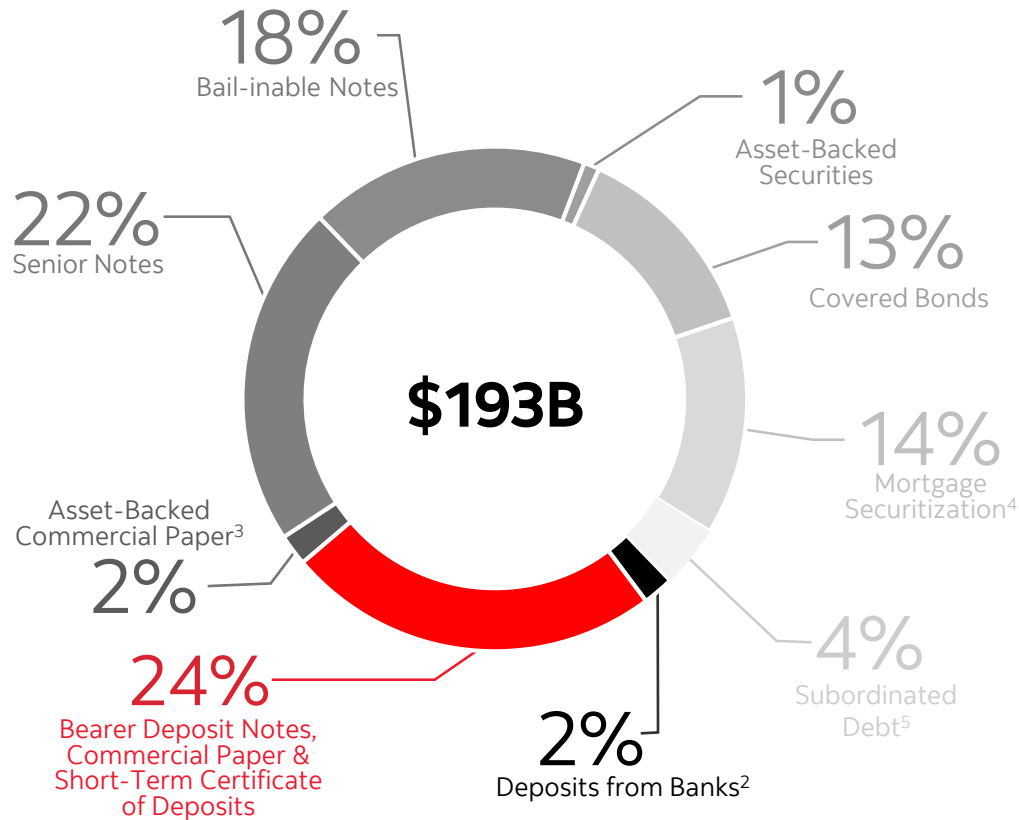


### USD Bank CP Program

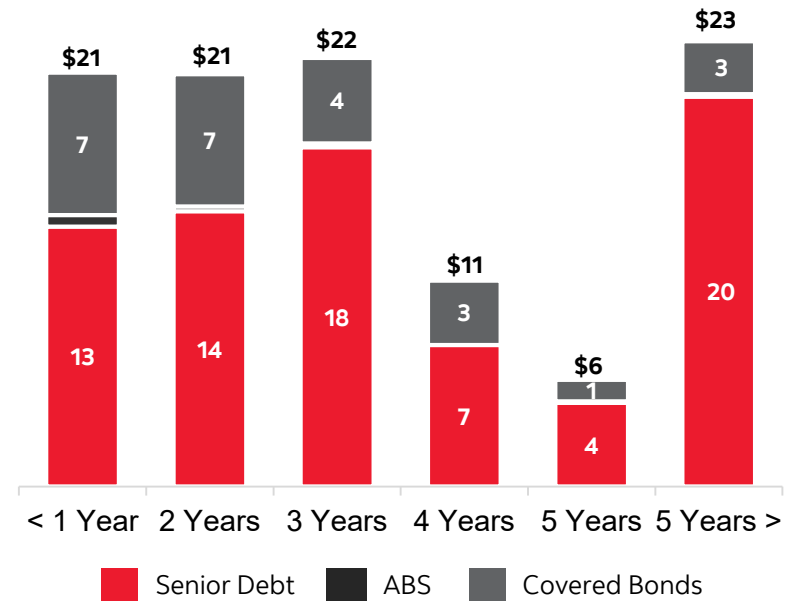
Limit – USD 35 billion

# Wholesale Funding

Wholesale funding diversity by instrument and maturity<sup>1,6,7</sup>



**TERM FUNDING MATURITY TABLE**  
(EXCLUDING SUB DEBT AND MORTGAGE SECURITIZATION)  
(CANADIAN DOLLAR EQUIVALENT, \$B)



<sup>1</sup> 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.

<sup>2</sup> Only includes commercial bank deposits raised by Group Treasury.

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

<sup>4</sup> 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.

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

<sup>6</sup> As per Wholesale Funding Sources Table in MD&A, as of Q2/21.

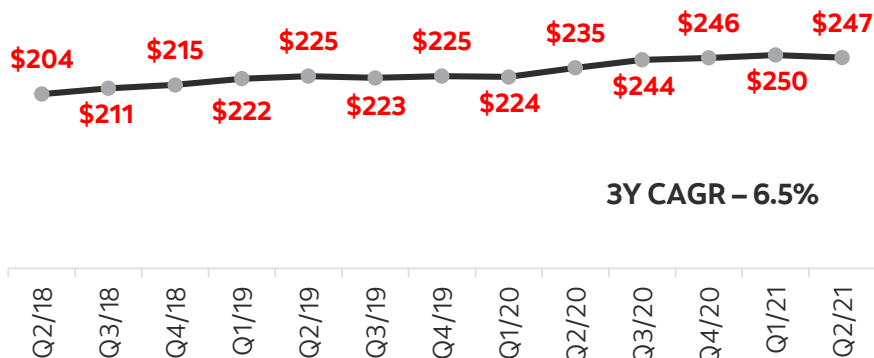
<sup>7</sup> May not add to 100% due to rounding.

# Deposit Overview

Strong growth in business and government deposits

## PERSONAL DEPOSITS

(SPOT, CANADIAN DOLLAR EQUIVALENT, \$B)

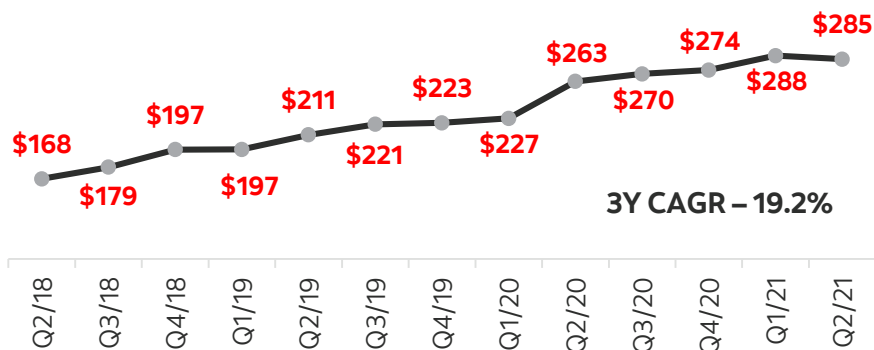


## PERSONAL DEPOSITS

- Important for both relationship purposes and regulatory value

## BUSINESS & GOVERNMENT DEPOSITS<sup>1</sup>

(SPOT, CANADIAN DOLLAR EQUIVALENT, \$B)



## BUSINESS & GOVERNMENT

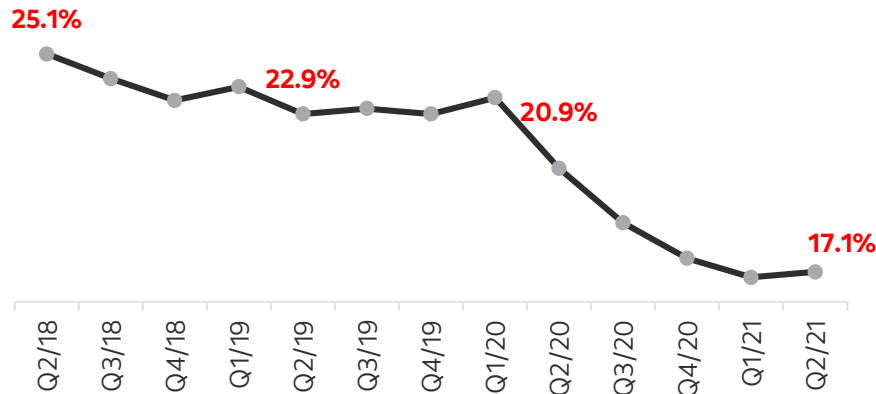
- Continuing to leverage relationships to grow deposits
- Focusing on deposits with regulatory value

<sup>1</sup>Calculated as Business & Government deposits less wholesale funding as per Wholesale Funding Sources table in the MD&A, adjusted for Sub Debt. Excludes Financial Institution deposits.

# Wholesale Funding Utilization

Historically low reliance on wholesale funding

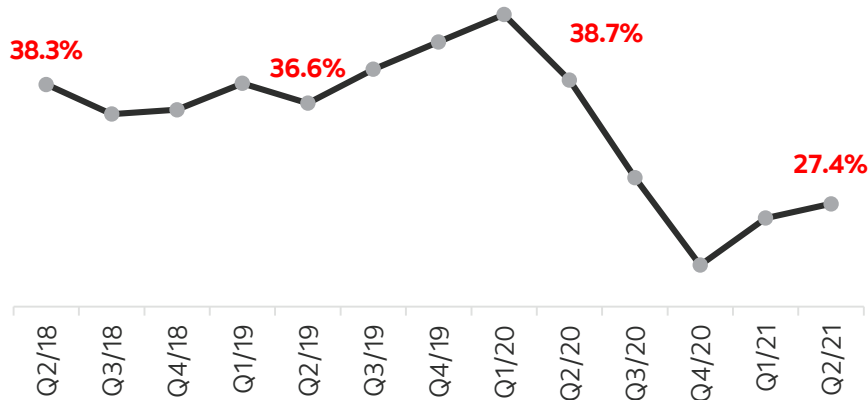
## WHOLESALE FUNDING / TOTAL ASSETS



## ▶ WHOLESALE FUNDING UTILIZATION WELL MANAGED

- Deposit retention and muted asset growth mitigating wholesale funding requirement

## MONEY MARKET WHOLESALE FUNDING / TOTAL WHOLESALE FUNDING



## ▶ MONEY MARKET FUNDING CONTINUES TO BE SUBDUED

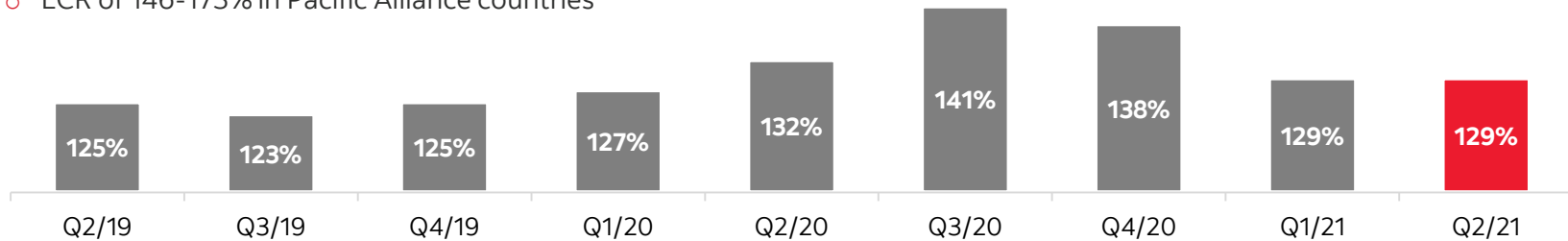
- Prudent utilization of short-term funding

# Key Metrics

Well funded Bank with very strong liquidity and stable funding

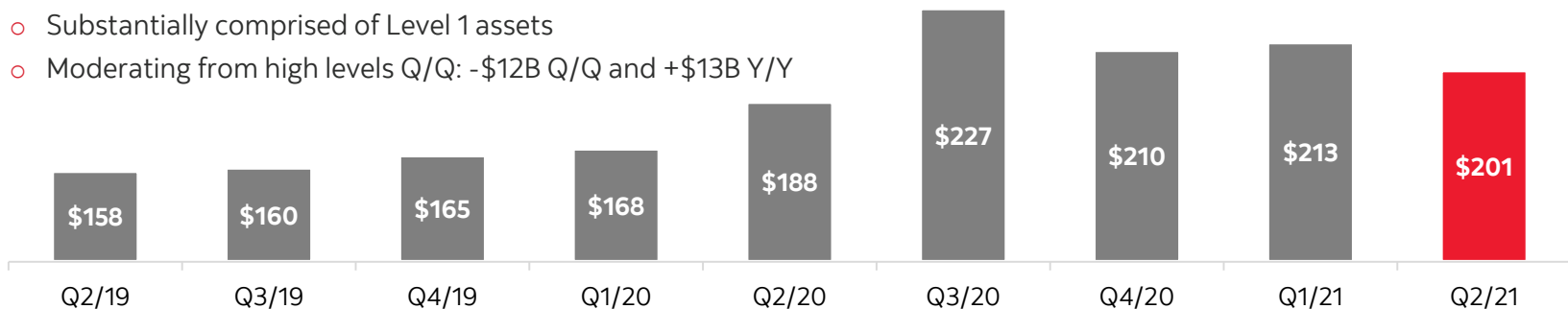
- **Liquidity Coverage Ratio (LCR)**

- Liquidity well in excess of regulatory requirements
- LCR of 146-173% in Pacific Alliance countries



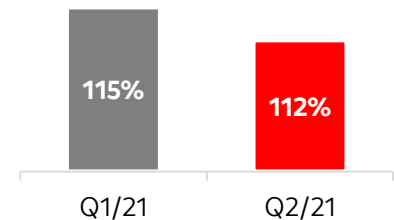
- **High Quality Liquid Assets (HQLA)**

- Substantially comprised of Level 1 assets
- Moderating from high levels Q/Q: -\$12B Q/Q and +\$13B Y/Y



- **Net Stable Funding Ratio (NSFR)**

- Public disclosure started Q1/21
- NSFR is well in excess of 100% regulatory requirement



# Appendix 1

## **Core Markets: Economic Profiles**

# Economic Outlook in Core Markets

## Real GDP Growth Forecast (2021–2022)

### Real GDP (Annual % Change)

Country	2010–19 Average	2020	Forecast <sup>1,2</sup>									
			2021					2022				
			Q1E	Q2F	Q3F	Q4F	Year	Q1F	Q2F	Q3F	Q4F	Year
 Canada	2.2	-5.4	0.2	14.0	6.8	5.6	6.4	5.0	5.0	3.5	3.1	4.1
 U.S.	2.3	-3.5	0.3	12.3	7.0	7.5	6.6	6.8	5.3	3.3	2.1	4.3
 Mexico	2.7	-8.2	-3.8	15.9	4.7	2.9	4.9	2.7	3.3	1.4	1.2	2.2
 Peru	4.5	-11.1	3.2	30.1	5.3	2.2	8.7	1.4	5.9	5.0	3.7	4.0
 Chile	3.3	-5.8	0.3	17.1	10.8	4.0	7.5	3.8	3.2	3.1	4.0	3.5
 Colombia	3.7	-6.8	1.1	12.1	5.7	1.1	5.0	4.2	3.9	3.8	4.2	4.0
<b>PAC Average<sup>3</sup></b>	<b>3.6</b>	<b>-8.0</b>	<b>0.2</b>	<b>18.8</b>	<b>6.6</b>	<b>2.6</b>	<b>6.5</b>	<b>3.0</b>	<b>4.1</b>	<b>3.3</b>	<b>3.3</b>	<b>3.4</b>

Source: Scotiabank Economics

<sup>1</sup> Forecasts for Canada and U.S. as of the April 22, 2021 - Scotiabank Global Forecast Tables

<sup>2</sup> Forecasts for PAC countries as of the May 21, 2021 - Scotiabank Latam Weekly

<sup>3</sup> Simple average

# COVID-19 Response in Core Markets

Policy Action		Canada	United States	Mexico	Peru	Chile	Colombia
<b>Policy Rate Cuts<sup>1</sup></b> (Since March 1, 2020)		150 bps	150 bps	300 bps	200 bps	125 bps	250 bps
<b>Fiscal &amp; Financial Measures</b> (% of GDP)		17.5%	22.3%	0.7%	20.0% <sup>2</sup>	17.5% <sup>2</sup>	2.8%
<b>Selected Key Measures</b>	Liquidity program	✓	✓	✓	✓	✓	✓
	Wage and payroll support programs	✓	✓	-	✓	✓	✓
	Payment deferral programs	✓	✓	✓	✓	✓	✓
	Small business and sectoral programs	✓	✓	✓	✓	✓	✓
<b>Vaccine Coverage<sup>3</sup></b> (% of possible population covered)		794%	416%	123%	173%	253%	60%
<b>Vaccine Deployment<sup>4</sup></b> (Vaccine doses administered per 100 people)		44.79	79.14	17.05	6.86	84.99	13.46
<b>COVID-19 Incidence Rate<sup>4</sup></b> (Cumulative confirmed cases per 100k people)		3,483	9,914	1,839	5,658	6,594	5,992

Sources: Scotiabank Economics, Duke University, Johns Hopkins University, Our World in Data and national reports as of May 12, 2021, unless otherwise indicated

<sup>1</sup> As of May 12, 2021

<sup>2</sup> Includes pension withdrawals and deposit relief

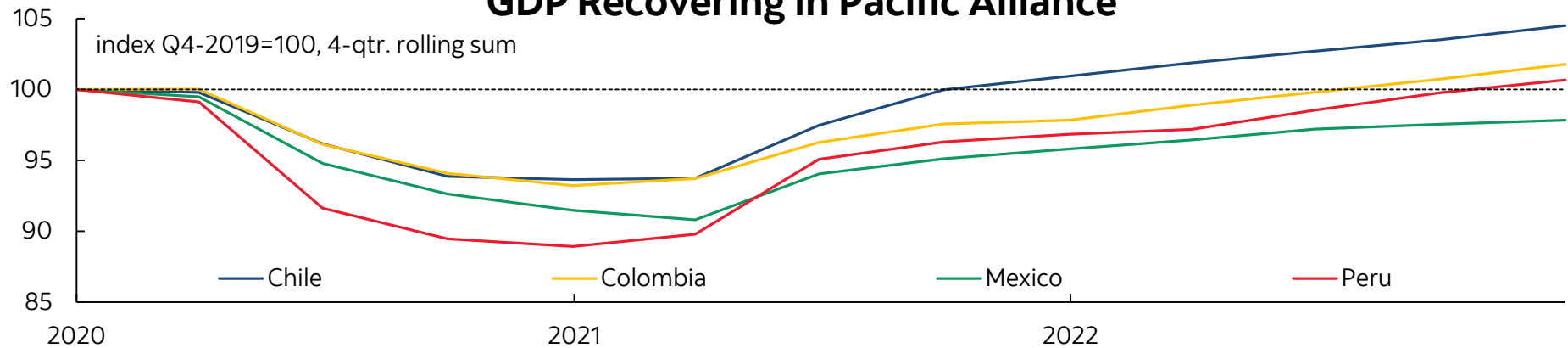
<sup>3</sup> Internationally comparable Duke University data adjusted for national reports; excludes doses via COVAX

<sup>4</sup> As of May 12, 2021 Source: Our World in Data



# Pacific Alliance: Economic Outlook and Election Calendar

## GDP Recovering in Pacific Alliance

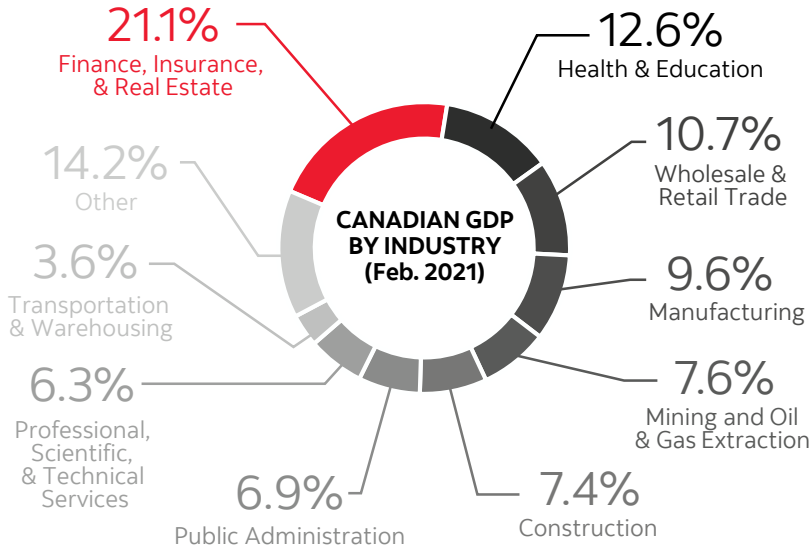


## Elections in the Region

				Proposed Const. Ratification Vote
		Pres., Leg. & Reg. Advisory - Primary	Pres., Leg. & Reg. Advisory - General	Presidential Runoff
	Presidential Runoff			Regional & Municipal
	Chamber of Deputies, Governors. & Local			
				Presidential & Legislative
	Jun. 2021	Jul. 2021	Nov. 2021	Dec. 2021
				2022

# Canadian Economy

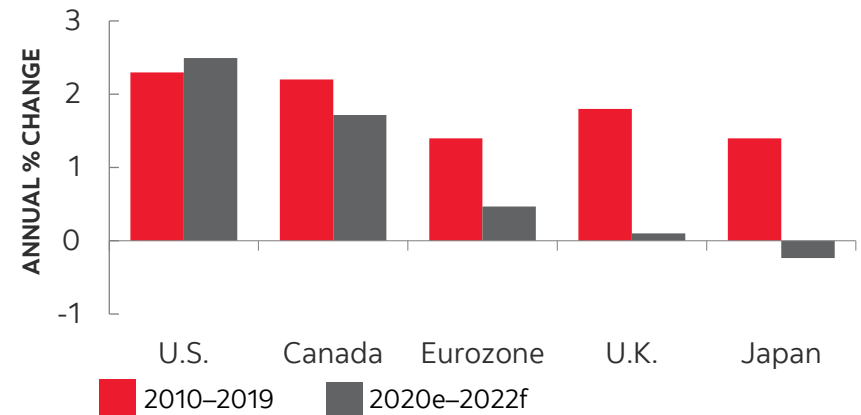
Diverse sources of growth with a strong balance sheet



**GDP Growth 2021F:** 6.4%

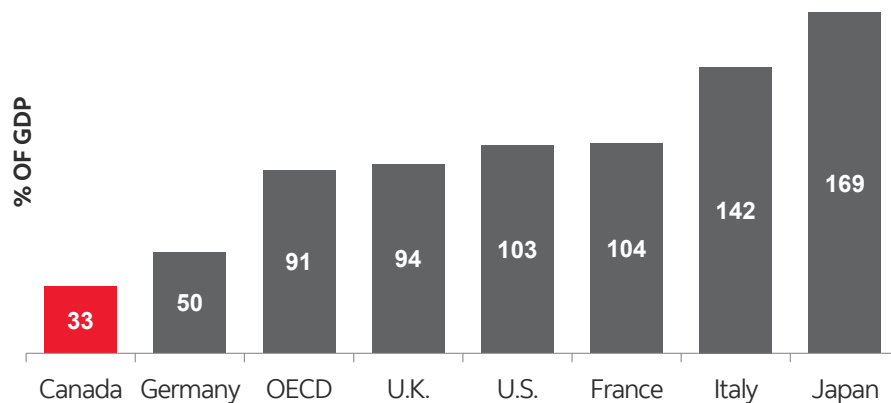
**GDP Growth 2022F:** 4.1%

## Real GDP Growth



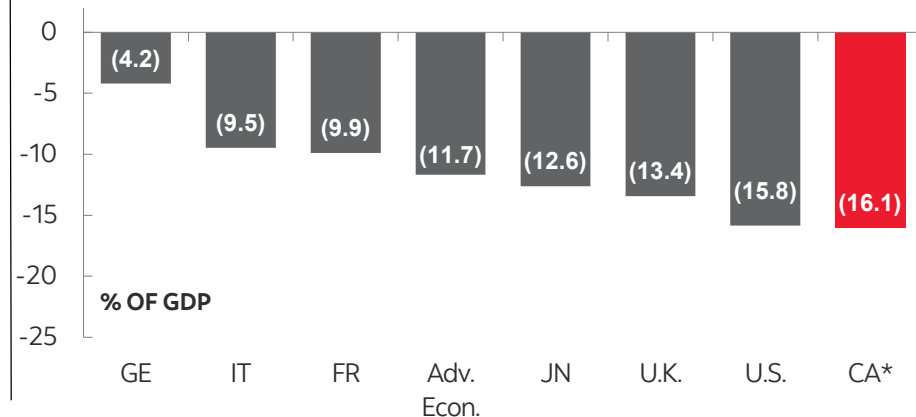
Sources: Scotiabank Economics, Haver Analytics, Statistics Canada. Forecasts as of Apr 22, 2021.

## General Government Net Debt in 2020



Sources: Scotiabank Economics, IMF Fiscal Monitor (April 2021).

## Government Financial Deficits in 2020



\* Canadian federal deficit reflects Scotiabank Economics' forecast as of Apr 22, 2021. Sources: Scotiabank Economics, IMF Fiscal Monitor (April 2021 estimates), CBO.

# Mexican Economy

## Solid mix of sectors

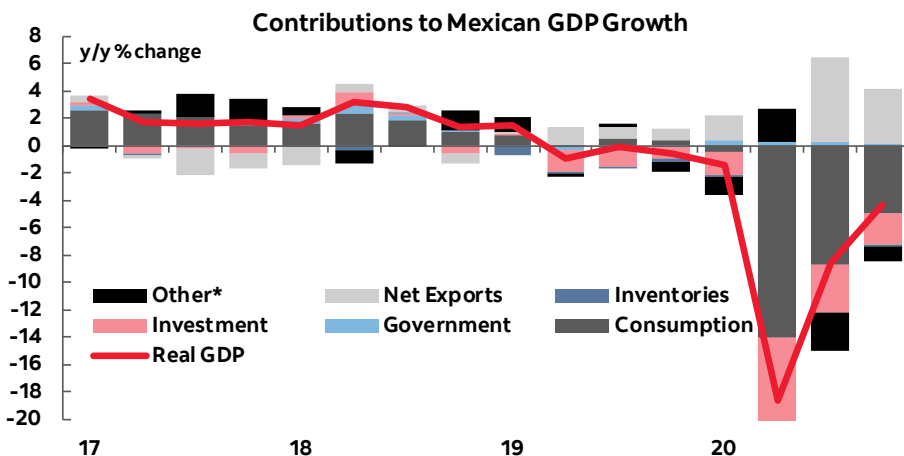
- Manufacturing and primary produces have so far led the recovery, but into H2-2021 services are expected to contribute more strongly.
- Trade with the U.S. is leading growth, but Mexico's diversification agenda is also underpinned by 14 free-trade agreements with 46 countries that account for 39% of global GDP and include all G7 countries
- Authorities' fiscal and debt indicators remain sound, and a fiscal reform is expected to be presented over the coming 12 mo.

GDP Growth 2021F:

4.9%

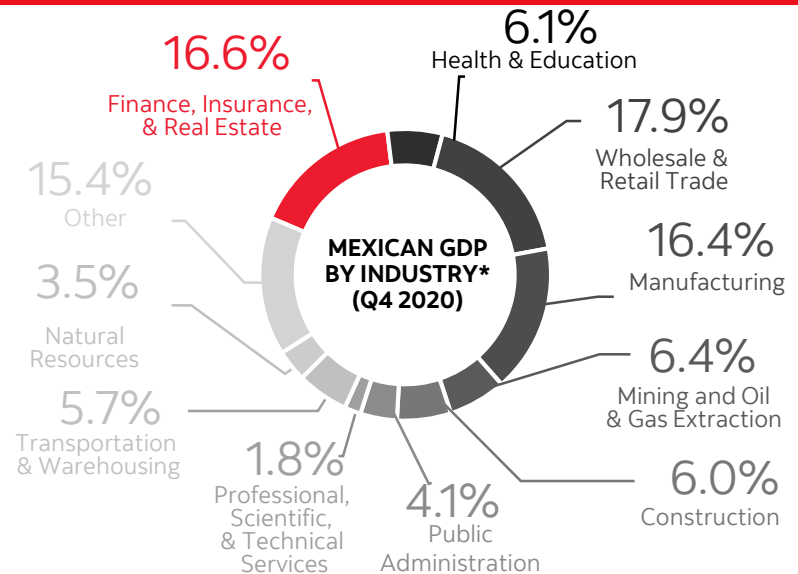
GDP Growth 2022F:

2.1%



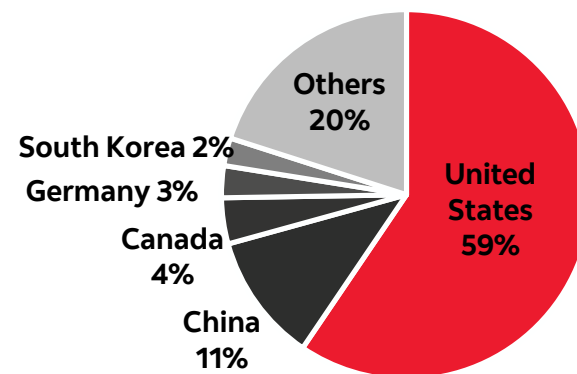
\*Statistical discrepancy, subject to revision.

Sources: Scotiabank Economics, Haver Analytics.



\* Q1-2021 real GDP growth -3.1% y/y. Industry GDP breakdown not yet available for Q1-2021.

## Top 5 Trading Partners\*



\* Trade data updated as of Q4-2020

# Peruvian Economy

## Resilient economic fundamentals

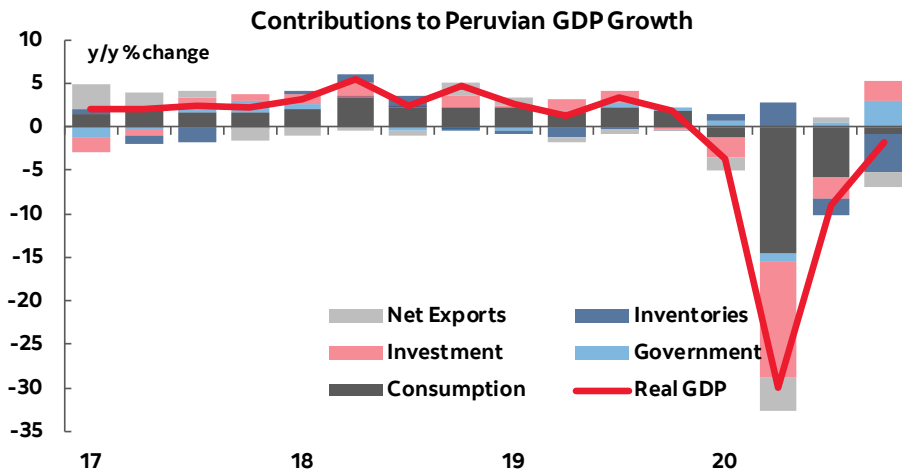
- Peru's important resource sectors are increasingly balanced by stronger service-sector activity and solid economic fundamentals
- Peru has 17 free-trade agreements with 49 countries that account for 66% of global GDP
- Public investment and private capital spending are recovering and are set to support growth in 2021; 95% of activity has re-opened

GDP Growth 2021F:

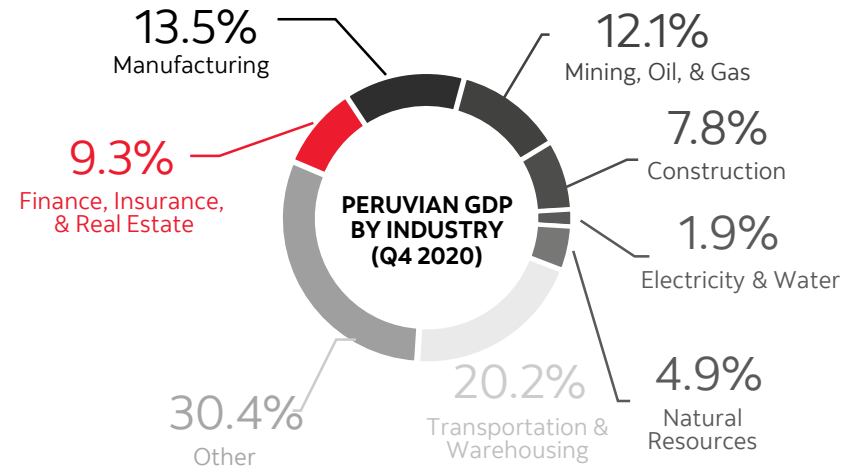
8.7%

GDP Growth 2022F:

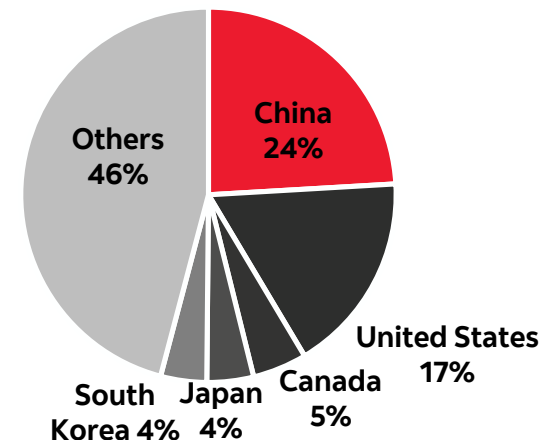
4.0%



Sources: Scotiabank Economics, Haver Analytics.



### Top 5 Trading Partners\*



\* Trade data updated as of Q4-2020

# Chilean Economy

Advanced economy with wide-ranging trade links

- Chile's mix of economic activities reflects its status as an advanced OECD economy
- Chile's diversified trading relationships are supported by 25 free-trade agreements with 60 countries that account for 74.6% of global GDP.
- Public support for households and businesses has powered a strong rebound in consumption

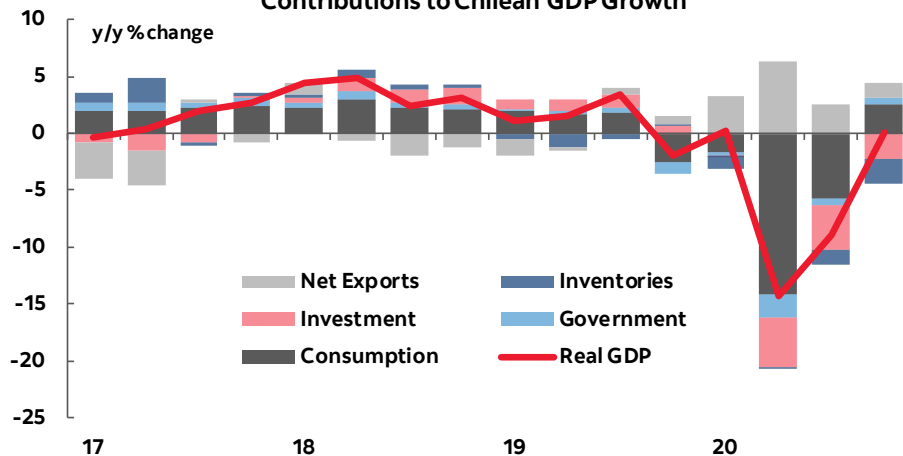
GDP Growth 2021F:

7.5%

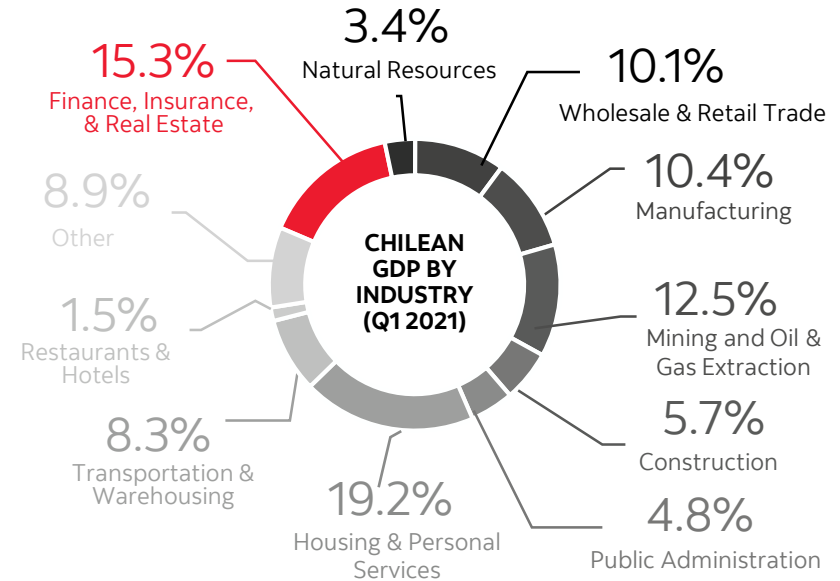
GDP Growth 2022F:

3.5%

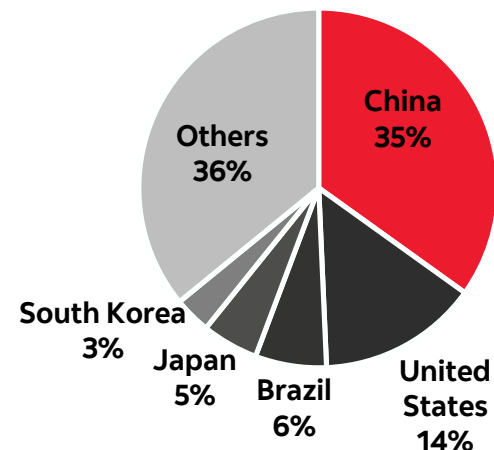
Contributions to Chilean GDP Growth



Sources: Scotiabank Economics, Haver Analytics.



Top 5 Trading Partners\*



\* Trade data updated as of Q4-2020

# Colombian Economy

Strong underlying momentum

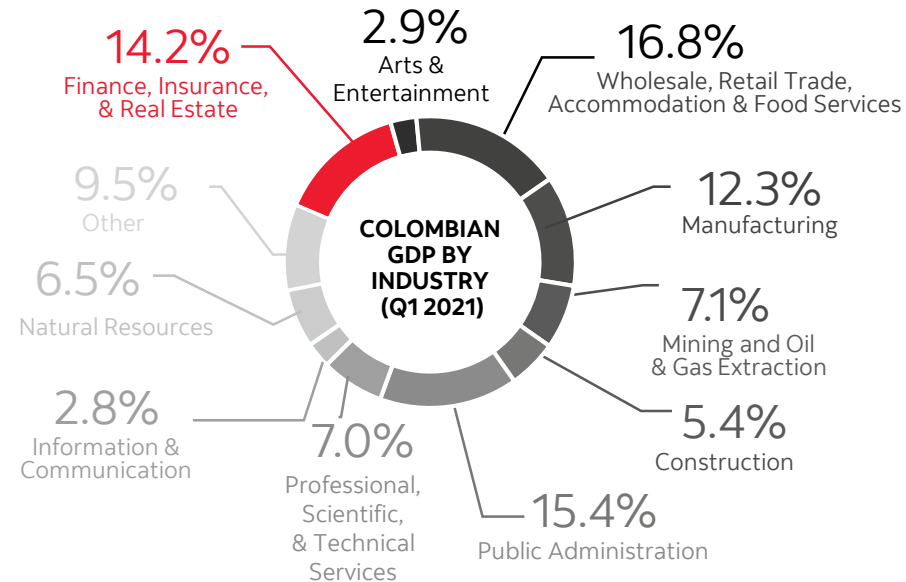
- The 'new normal' re-opening scheme has led to reactivation of 95% of the economy
- Colombia continues to build on its 12 free-trade agreements with 46 countries that account for 41.1% of global GDP
- Services and consumption, reflecting an expanding middle class, account for rising shares of Colombian GDP compared with traditional strengths in extractive industries

GDP Growth 2021F:

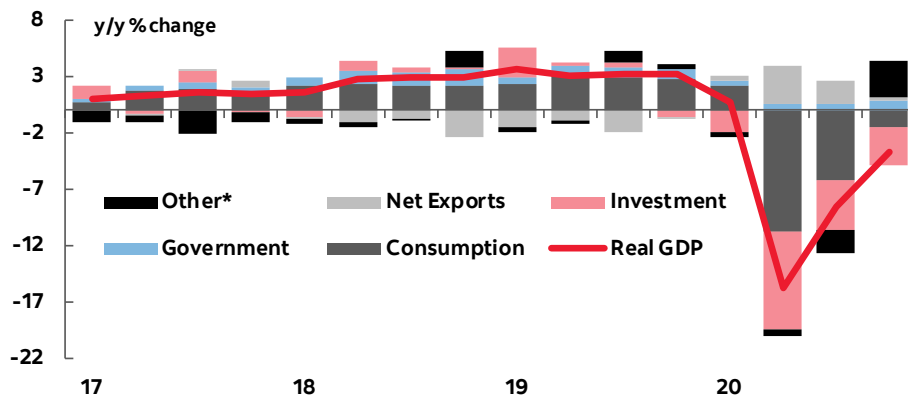
5.0%

GDP Growth 2022F:

4.0%



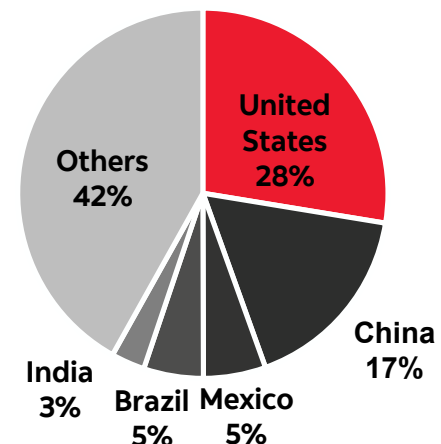
Contributions to Colombian GDP Growth



\*Statistical discrepancy, subject to revision.

Sources: Scotiabank Economics, Haver Analytics.

Top 5 Trading Partners\*



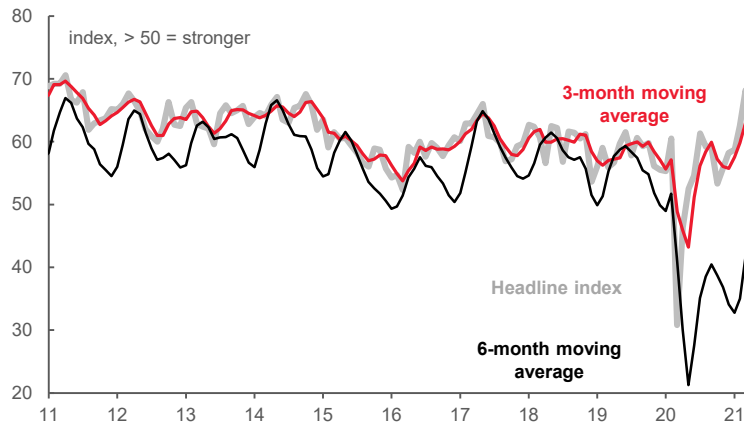
\* Trade data updated as of Q4-2020

## Appendix 2

# Canadian Economic Fundamentals

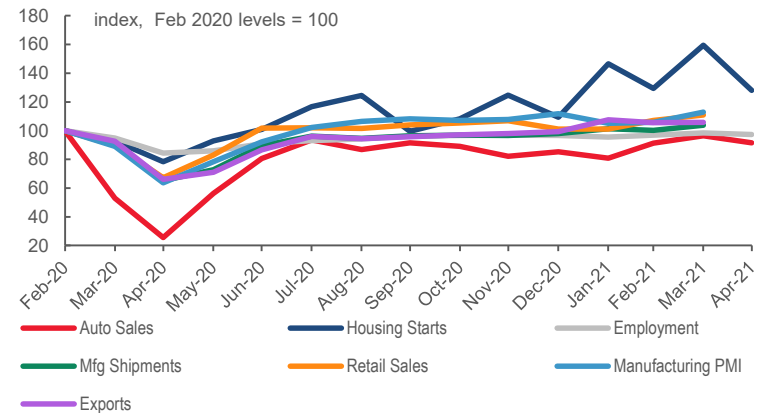
# Consumer and Business Activity

## Business Confidence – CFIB Business Barometer



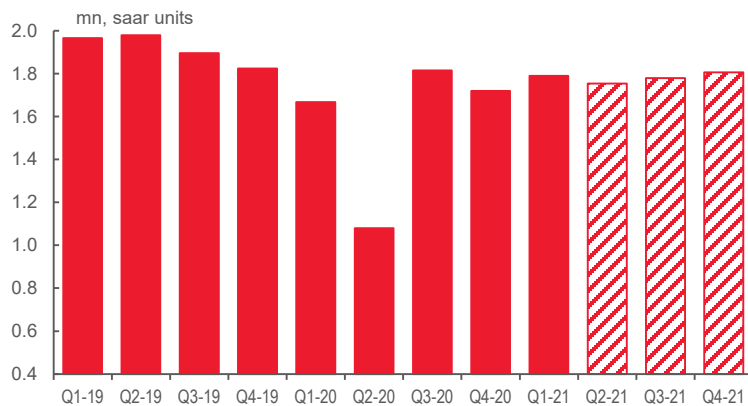
Sources: Scotiabank Economics, CFIB.

## Key Economic Indicators



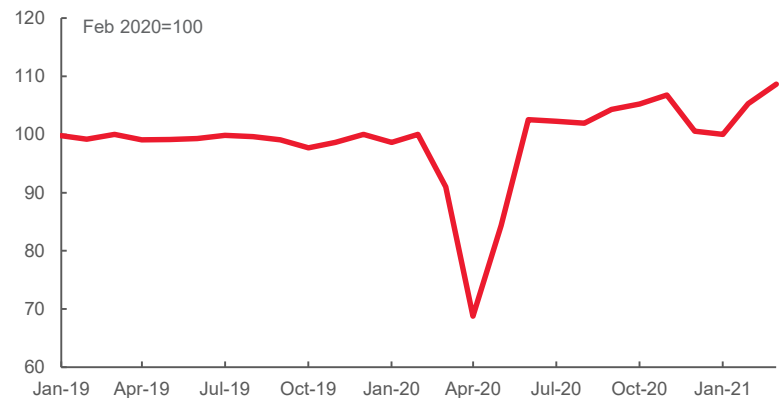
Sources: Scotiabank Economics, Bloomberg.

## Canada Auto Sales



Sources: Scotiabank Economics, DesRosiers Automotive Consultants Inc.

## Canada Real Retail Sales

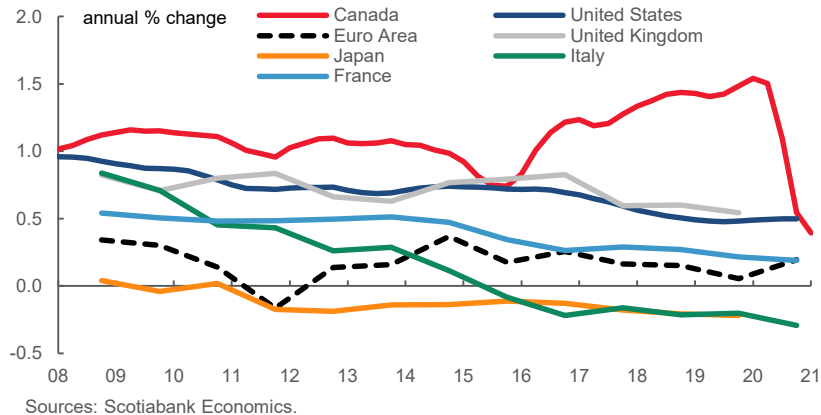


Sources: Scotiabank Economics, Statistics Canada.

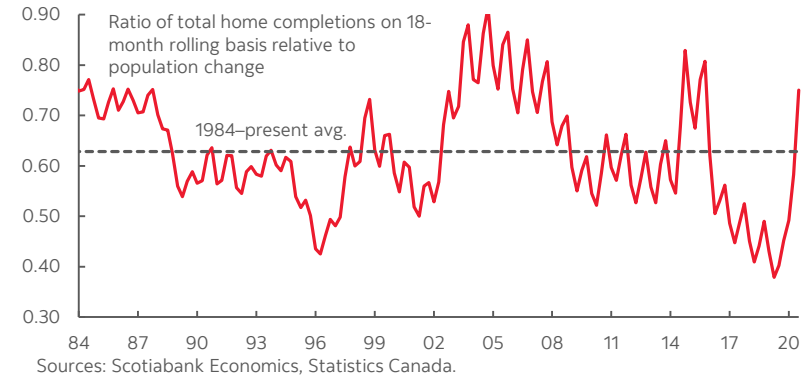


# Housing Market

## Population Growth



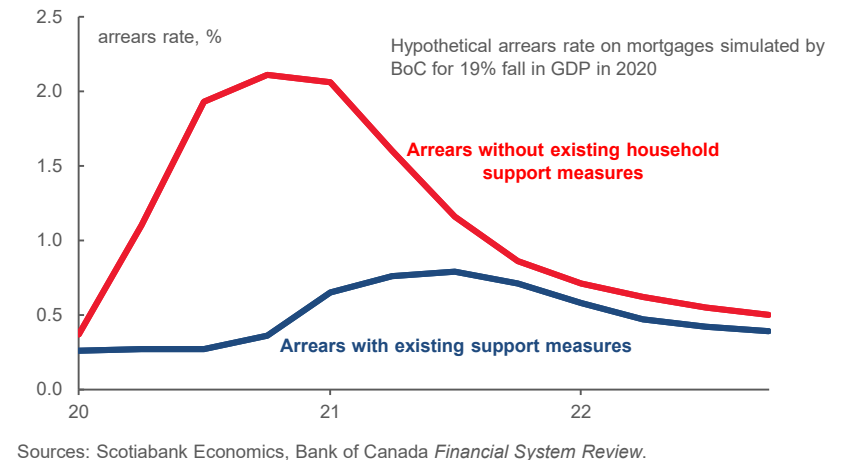
## Housing Market Supply Conditions



## Housing: Sales-to-Listings Ratio



## Government Support of Households



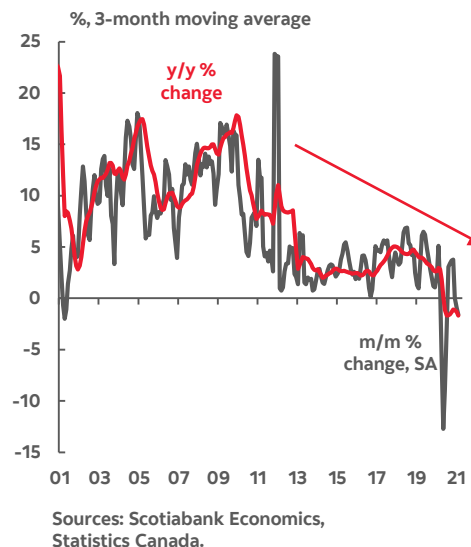
# Growth in Household Credit

- Total household credit, in annual nominal terms, has slowed considerably since the 2007 peak of 13.4% y/y. However, the Q4-2020 growth of 4.9% y/y surpassed the average of the previous four quarters
- Consumer loans excluding mortgages (i.e., cards, HELOCs, unsecured lines, auto loans, etc.) fell by 1.1% y/y in Q4-2020. Consumer loan growth has trended downward since late-2000 highs of over 16% y/y, with recent months' negative growth induced by consumer spending pullbacks
- Mortgage credit grew at 7.1% y/y in Q4-2020 vs the 2007 peak of 13.7% y/y. Underlying demand coupled with lower five-year rates drove a rebound in the pace of growth

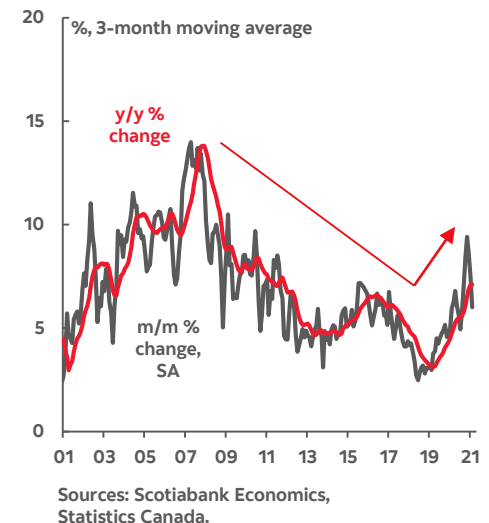
## Household Credit Growth



## Consumer Loan Growth



## Residential Mortgage Growth



# Appendix 3

## **Additional Information**

# Medium-Term Financial Objectives

## All-Bank Objectives<sup>1</sup>

**EPS Growth**

7%+

**ROE**

14%+

**Operating Leverage**

Positive

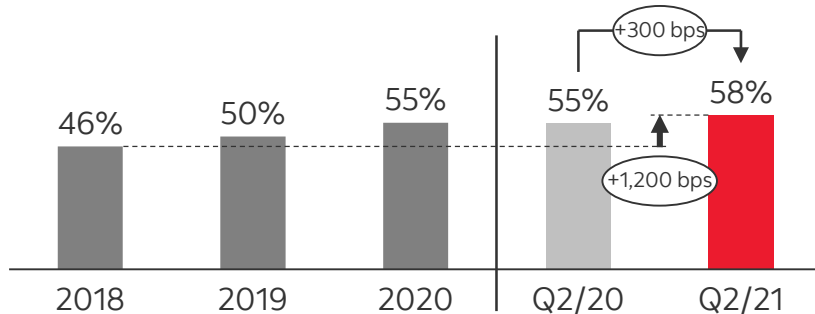
**Capital**

Strong Levels

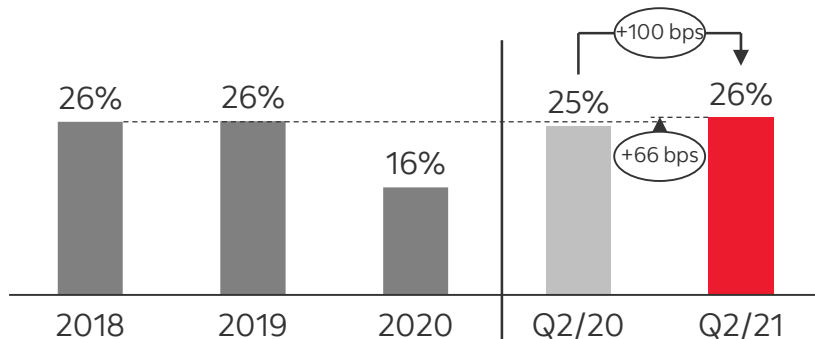
<sup>1</sup>13-5 year targets from 2020 Investor Day

# Digital Progress: Canada

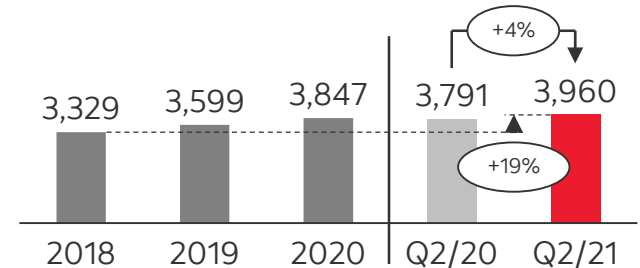
**Digital Adoption (%)<sup>1</sup>**



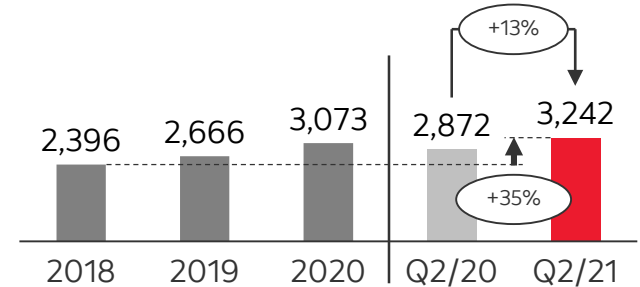
**Digital Sales (%)**



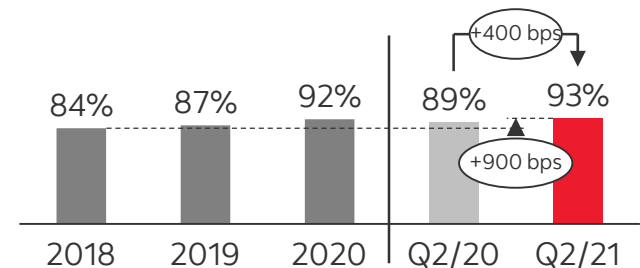
**Active Digital Users (#'000)**



**Active Mobile Users (#'000)**



**Self-Serve Transactions (%)**



## Definitions

Digital Sales (% of retail unit sales using Digital platforms, excluding auto, broker originated mortgages and mutual funds)

Digital Adoption (% of customers with Digital login (90 days) / Total addressable Customer Base)

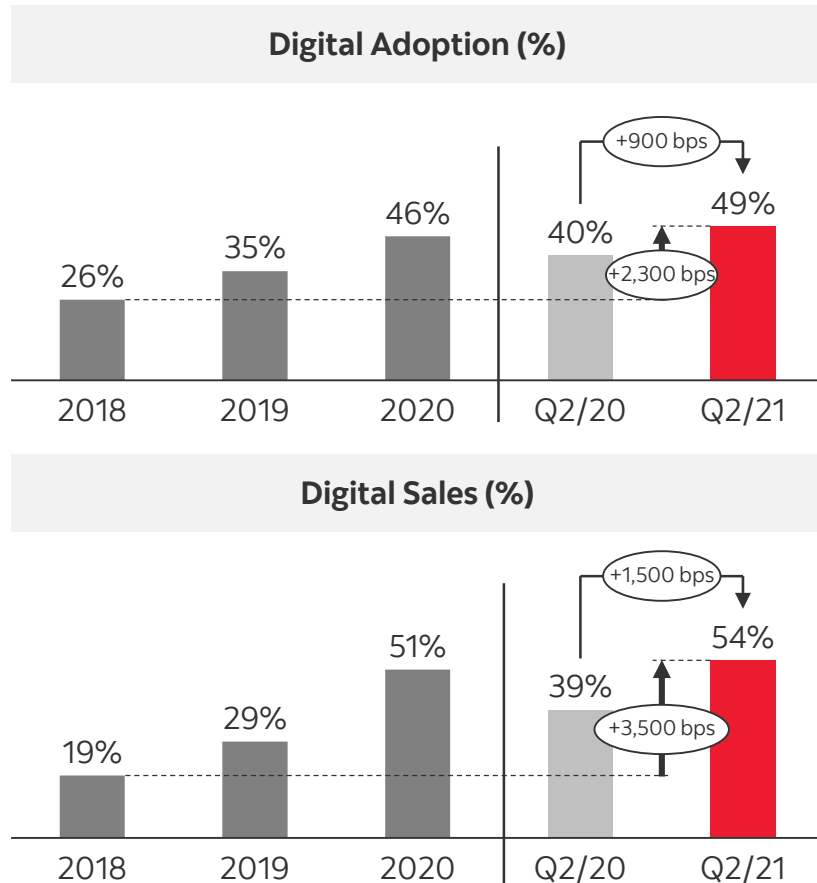
Digital Users: # of customers who logged into website and/or mobile in the last 90 days

Mobile Users: # of customers who logged into mobile in the last 90 days

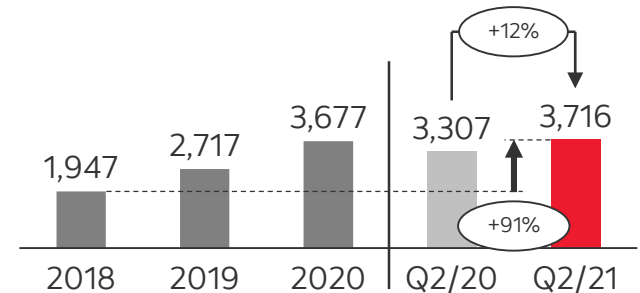
Self-serve Transactions: % of Financial transactions through Digital, ABM, IVR

<sup>1</sup> CB Digital Adoption definition was updated in Q1/21 to reflect addressable customer base, excluding indirect-channel acquisitions

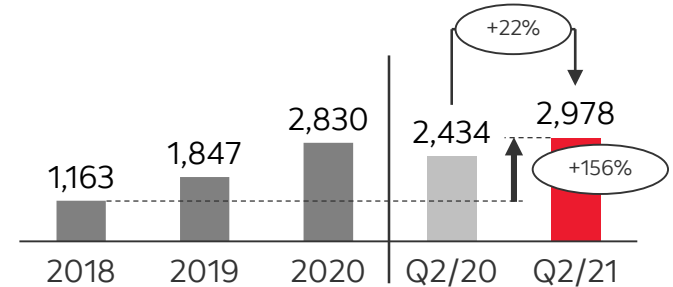
# Digital Progress: Pacific Alliance



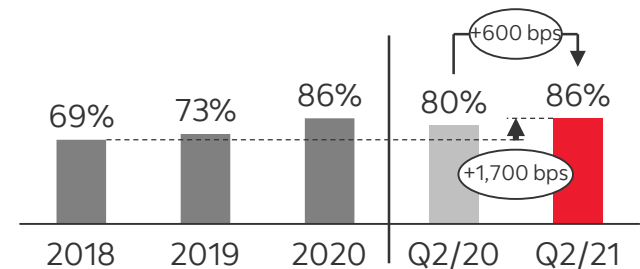
**Active Digital Users (#'000)**



**Active Mobile Users (#'000)<sup>1</sup>**



**Self-Serve Transactions (%)<sup>2</sup>**



## Definitions

Digital Sales (% of retail unit sales using Digital platforms)

Digital Adoption (% of customers with Digital login (90 days) / Total addressable Customer Base)

Digital Users: # of customers who logged into website and/or mobile in the last 90 days

Mobile Users: # of customers who logged into mobile in the last 90 days

Self-serve Transactions: % of Financial transactions through Digital, ABM, IVR, POS

<sup>1</sup> 2018 and 2019 use historical estimation based on available mobile user data for Colombia and Chile

<sup>2</sup> Prior periods from 2018 to 2020 have been restated in Q2/21 to align with current methodology

# 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 <sup>1</sup>	Aa2	A+	AA	AA
Senior Debt <sup>2</sup>	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	Negative	Stable

<sup>1</sup>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

<sup>2</sup>Subject to conversion under the bank recapitalization "bail-in" regime

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