

# Investor Presentation

August 2022

**Scotiabank®**

# Caution Regarding Forward-Looking Statements

**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 2021 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, and the extent to which products or services previously sold by the Bank require the Bank to incur liabilities or absorb losses not contemplated at their origination; 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; climate change and other environmental and social risks, including sustainability that may arise, including from the Bank’s business activities; 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, 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 2021 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 2021 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

**#3** in Chile

**#5** in Mexico

**#6** in Colombia

## Business Lines<sup>2,3</sup>

**#2** in P&C Banking

**#3** 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 April 2022 in Canada and Colombia, and June 2022 in Mexico, Peru, and Chile

<sup>2</sup> Business Line rankings based on Total Revenue or Total Net Income for publicly traded banks in Canada for the 6 months ended April 30, 2022

<sup>3</sup> Refer to non-GAAP measures on page 4 of the Management's Discussion & Analysis in the Bank's Third Quarter 2022 Report to Shareholders, available on <http://www.sedar.com>

# 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



| Scotiabank<br>(Reported)        | FY21YTD | FY22YTD  | Change<br>YTD/YTD |
|---------------------------------|---------|----------|-------------------|
| Revenue                         | \$23.6B | \$23.8Bn | +1%               |
| Net Income (\$Bn)               | \$7.4B  | \$8.1Bn  | +9%               |
| Return on Equity                | 14.7%   | 15.8%    | +110 bps          |
| Operating Leverage <sup>2</sup> | 2.4%    | -0.9%    | n.a.              |
| Productivity Ratio <sup>2</sup> | 52.4%   | 52.8%    | +40 bps           |
| Total Assets                    | \$1.16T | \$1.29T  | +11%              |
| CET1 Ratio <sup>3</sup>         | 12.2%   | 11.4%    | (80 bps)          |

## Medium Term Financial Objectives

### All-Bank Objectives<sup>4</sup>

EPS Growth<sup>5</sup> 7%+

ROE<sup>5</sup> 14%+

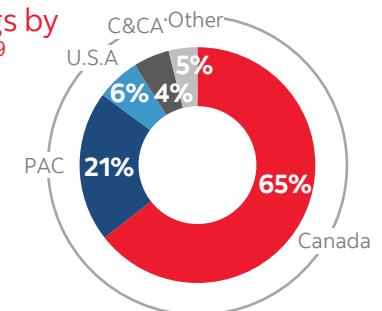
Operating  
Leverage<sup>5</sup> Positive

Capital<sup>6</sup> Strong Levels

## Ranking by Market Share<sup>7</sup>

|   |                  |            |
|---|------------------|------------|
| USMCA                                     | Canada           | #3         |
|   | USA <sup>8</sup> | Top 10 FBO |
| Pacific<br>Alliance<br>Countries<br>(PAC) | Mexico           | #5         |
|   | Peru             | #3         |
|   | Chile            | #3         |
|   | Colombia         | #6         |

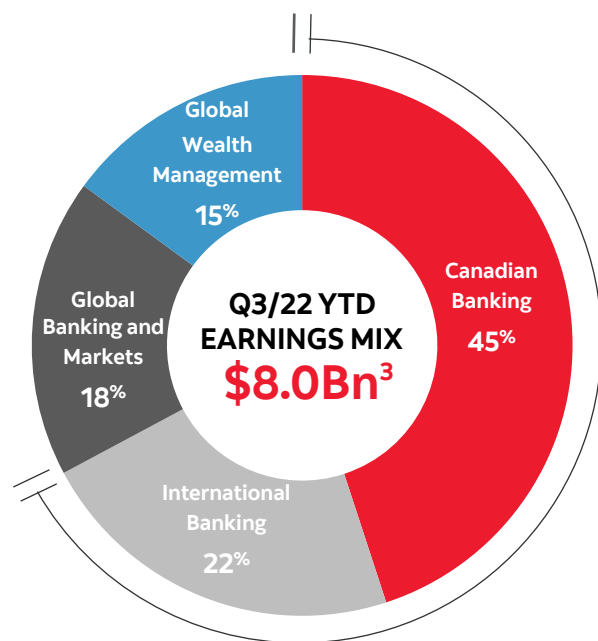
## Earnings by Market<sup>9</sup>



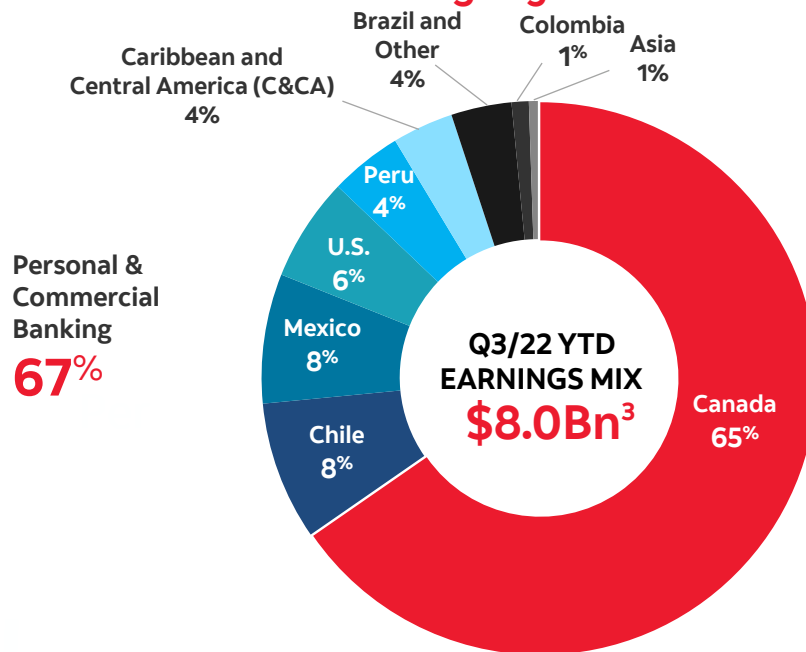
<sup>1</sup>Ranking by asset as at August 18, 2022, Bloomberg; <sup>2</sup> Refer to page 51 of the Management's Discussion & Analysis in the Bank's Third Quarter 2022 Report to Shareholders, available on <http://www.sedar.com>, for an explanation of the composition of the measure. Such explanation is incorporated by reference hereto; <sup>3</sup> This measure has been disclosed in this document in accordance with OSFI Guideline - Capital Adequacy Requirements (November 2018); <sup>4</sup> 3-5 year targets from 2020 Investor Day; <sup>5</sup> Refer to non-GAAP measures on page 4 of the Management's Discussion & Analysis in the Bank's Third Quarter 2022 Report to Shareholders, available on <http://www.sedar.com>; <sup>6</sup> This measure has been disclosed in this document in accordance with OSFI Guideline - Capital Adequacy Requirements (November 2018); <sup>7</sup> Ranking based on market share in loans as of April 2022 in Canada and Colombia, and June 2022 in Mexico, Peru, and Chile; <sup>8</sup> Ranking by asset as of December 2021; <sup>9</sup> Net income attributable to equity holders of the Bank for the 9 months ended July 31, 2022

# Well-Diversified Business with Strong Returns

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



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



Personal & Commercial Banking  
**67%**

YTD Reported Return on Equity by Business Line



<sup>1</sup>Net income attributable to equity holders for the 9 months ended July 31, 2022; <sup>2</sup> May not add due to rounding; <sup>3</sup> Excludes Other segment

# Business Lines (Q3/22 FYTD Reported 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>         | \$3,593   | \$1,775   | \$1,195   | \$1,427  |
| <b>% All-Bank<sup>1</sup></b>           | 45%   | 22%   | 15%   | 18%  |
| <b>% Target</b>                         | 35-40%  | 25-30%  | ~15%  | 15-20%   |
| <b>Productivity Ratio<sup>1,2</sup></b> | 44.9%   | 53.3%   | 60.1%   | 51.8%  |
| <b>ROE<sup>1,2</sup></b>                | 26.8%   | 12.8%   | 16.7%   | 14.6%  |
| <b>Total Assets<sup>3</sup> (\$B)</b>   | \$424.1   | \$203.0   | \$32.4  | \$439.6  |
| <b>Employees<sup>4</sup></b>            | 18,861  | 42,143  | 7,932   | 2,205  |

<sup>1</sup>For the 9 months ended July 31, 2022; <sup>2</sup>Refer to page 51 of the Management's Discussion & Analysis in the Bank's Third Quarter 2022 Report to Shareholders, available on <http://www.sedar.com>, for an explanation of the composition of the measure. Such explanation is incorporated by reference hereto; <sup>3</sup>Average balance for the 9 months ended July 31, 2022; <sup>4</sup>As of July 31, 2022

# Why Invest in Scotiabank?



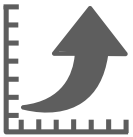
## Leading bank in the Americas

- Six core markets: Canada, US, Mexico, Chile, Peru and Colombia
- ~93% 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
- 234 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
- \$5.3 billion in allowances for credit losses as of Q3/22



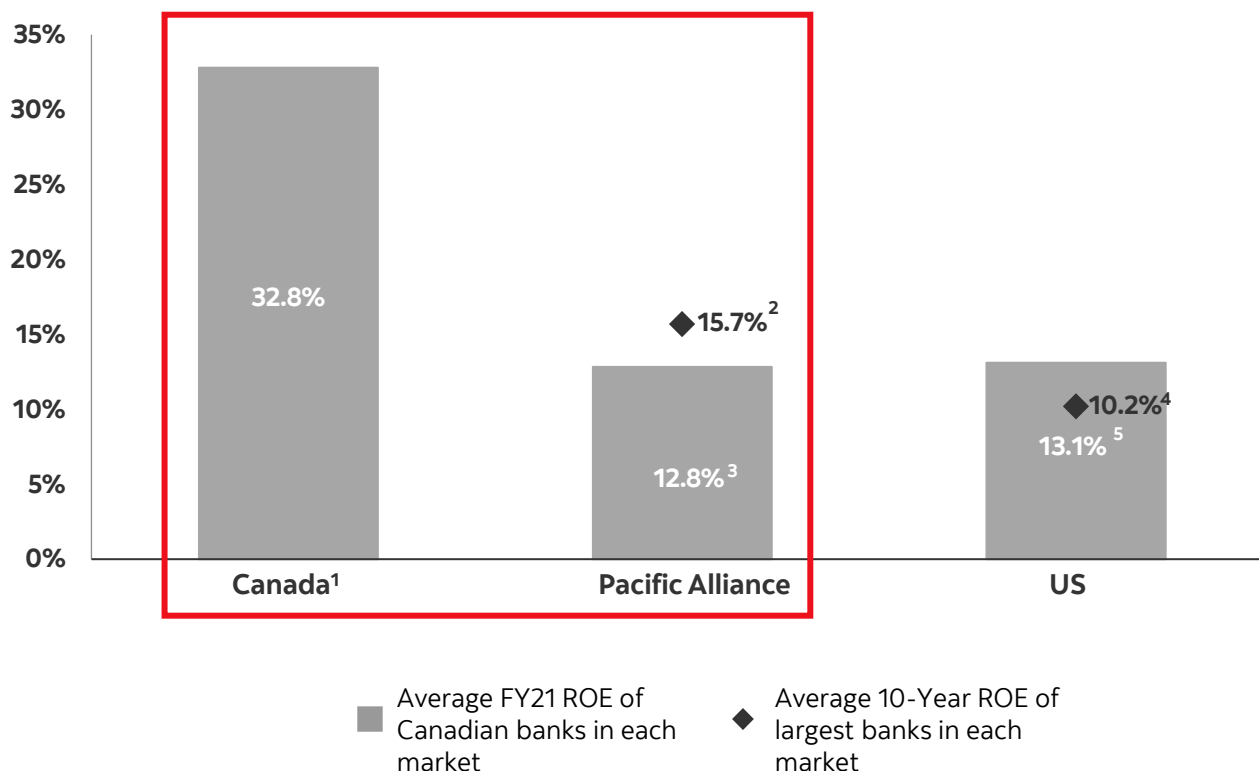
## Acceleration in Digital Banking

- Increased Digital Adoption to 58% in Q3/22 (up 400 bps Y/Y)
- Won “Best Use of Technology for Customer Experience – Overall” by *The Digital Banker’s* Global Digital CX Banking Awards 2022
- Named “Best Digital Bank – Mexico” by The Digital Banker’s Global Retail Banking Innovation Awards 2021
- Recognized for “Best AI Initiative” by The Digital Banker’s Global Retail Banking Innovation Awards 2021



# Focused on Higher Return Markets

## Scotiabank P&C Banking Focused On Higher ROE Markets



<sup>1</sup> Average FY21 ROE of RY, TD, BMO, CM, and BNS

<sup>2</sup> Average 10-year ROE of Banorte, Banbajio, Santander Mexico, Credicorp, Bancolombia, Santander Chile and Banco de Chile

<sup>3</sup> FY21 ROE of BNS' PAC segment

<sup>4</sup> Average 10-year ROE of JP Morgan, BofA, Citi, Wells Fargo, Truist, US Bancorp, PNC, Fifth Third, M&T and Comerica

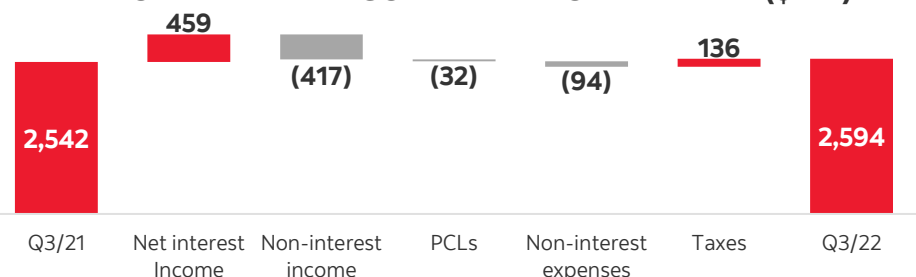
<sup>5</sup> Average FY21 ROE of TD, BMO and CM's US Banking segment

Sources: Company Financial Reports

# Q3 2022 Financial Performance

| \$MM, except EPS                           | Q3/22   | Y/Y      | Q/Q     |
|--|---------|----------|---------|
| <b>Reported</b>                            |         |          |         |
| Net Income                                 | \$2,594 | 2%       | (6%)    |
| Pre-Tax, Pre-Provision Profit <sup>1</sup> | \$3,608 | (1%)     | (5%)    |
| Diluted EPS                                | \$2.09  | 5%       | (3%)    |
| Revenue                                    | \$7,799 | 1%       | (2%)    |
| Expenses                                   | \$4,191 | 2%       | 1%      |
| Productivity Ratio <sup>2</sup>            | 53.7%   | 90 bps   | 130 bps |
| Net Interest Margin <sup>3</sup>           | 2.22%   | (1 bp)   | (1 bp)  |
| PCL Ratio <sup>2</sup>                     | 22 bps  | (2 bps)  | 9 bps   |
| PCL Ratio on Impaired Loans <sup>2</sup>   | 21 bps  | (32 bps) | (3 bps) |
| <b>Adjusted<sup>3</sup></b>                |         |          |         |
| Net Income                                 | \$2,611 | 2%       | (6%)    |
| Pre-Tax, Pre-Provision Profit              | \$3,632 | (1%)     | (5%)    |
| Diluted EPS                                | \$2.10  | 4%       | (4%)    |
| Expenses                                   | \$4,167 | 2%       | 1%      |
| Productivity Ratio                         | 53.4%   | 90 bps   | 130 bps |

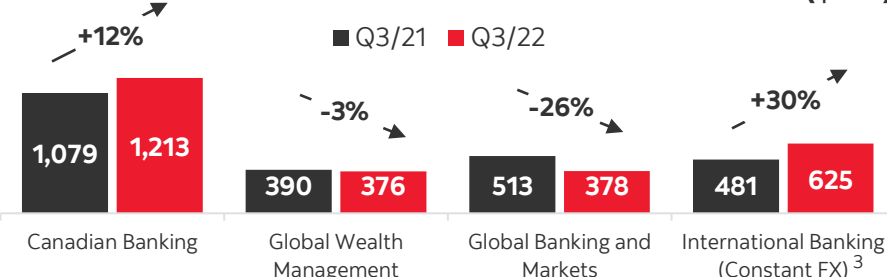
## REPORTED NET INCOME YEAR-OVER-YEAR (\$MM)



## YEAR-OVER-YEAR HIGHLIGHTS

- **EPS up 5% (adjusted up 4%)**
- **Pre-tax, pre-provision profit down 1%**
  - Aggregate of the four business lines, PTPP was up 3%
- **Revenue up 1%**
  - Net interest income up 11%, driven by asset growth across all business lines
  - Non-interest income down 12%
    - Lower market sensitive revenues
    - Higher banking and insurance revenues
- **NIM down 1 bp Q/Q**
  - Slower pace of asset repricing compared to liabilities
  - Customers shifting to higher yielding deposit products
- **Expenses up 2%**, driven by higher personnel costs, share-based compensation and business growth expenses
- **Strong reported ROE of 15.3% (adjusted ROE<sup>3</sup> of 15.4%)**

## REPORTED NET INCOME<sup>4</sup> BY BUSINESS SEGMENT (\$MM)



<sup>1</sup> Pre-Tax, Pre-Provision Profit defined as revenues less expenses

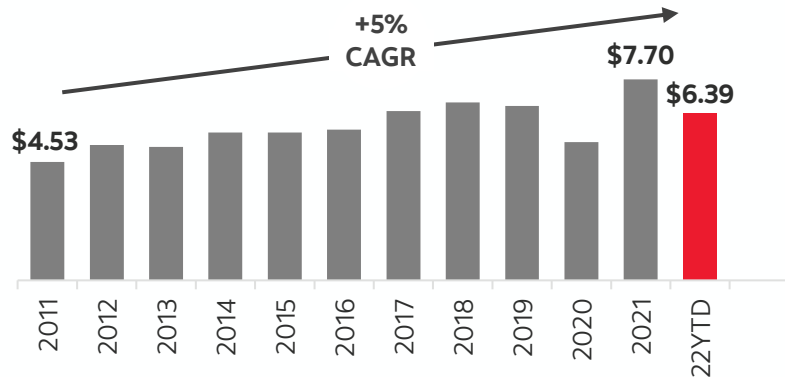
<sup>2</sup> Refer to page 51 of the Management's Discussion & Analysis in the Bank's Third Quarter 2022 Report to Shareholders, available on <http://www.sedar.com>, for an explanation of the composition of the measure. Such explanation is incorporated by reference hereto

<sup>3</sup> Refer to non-GAAP measures on page 4 of the Management's Discussion & Analysis in the Bank's Third Quarter 2022 Report to Shareholders, available on <http://www.sedar.com>

<sup>4</sup> Attributable to equity holders of the Bank

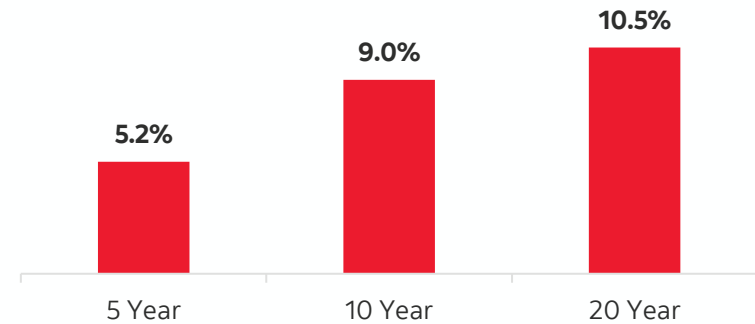
# Earnings and Dividend Growth

Reported diluted earnings per share (C\$)<sup>1,2</sup>

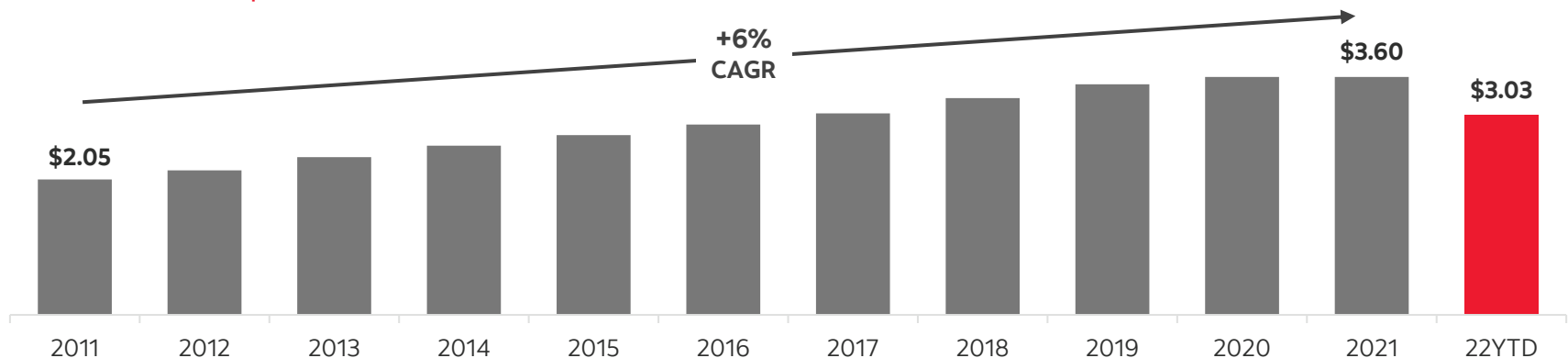


Total shareholder return<sup>3</sup>

■ Scotiabank



Dividends Paid per share (C\$)

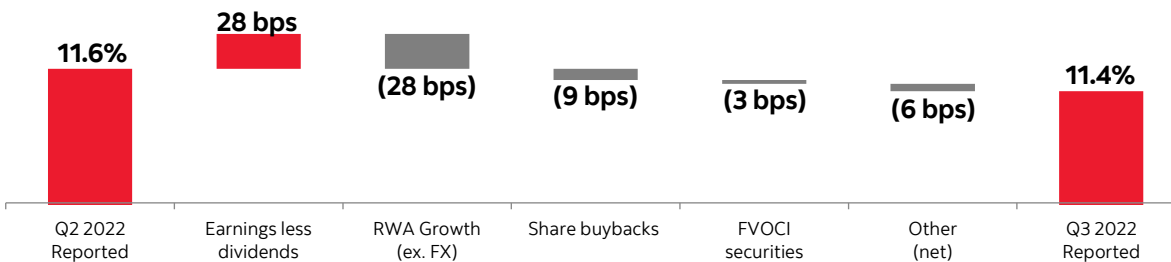


<sup>1</sup> Reflects adoption of IFRS in Fiscal 2011; <sup>2</sup> Excludes notable items for years prior to 2016; <sup>3</sup> As of July 31, 2022

# Strong Capital Position

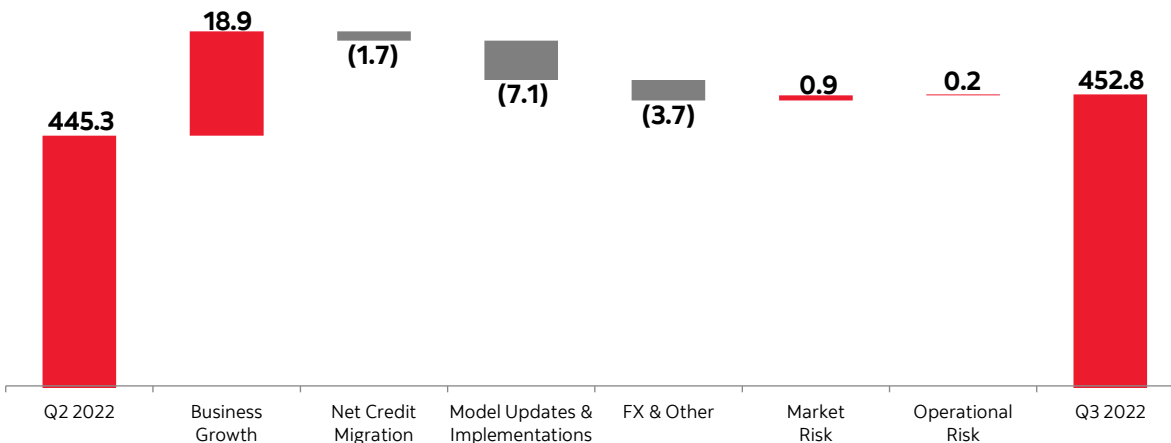
CET1 ratio of 11.4%<sup>1</sup>

## Q/Q CHANGE IN CET1 RATIO (%)



- Internal capital generation supported strong organic growth across all business lines
- Additional capital deployment through share buybacks:
  - Repurchased 5.0 million common shares or 9 bps in Q3 2022
  - Year-to-date repurchases of 31.3 million shares or 62 bps





## Q/Q CHANGE IN RISK WEIGHTED ASSETS (\$Bn)



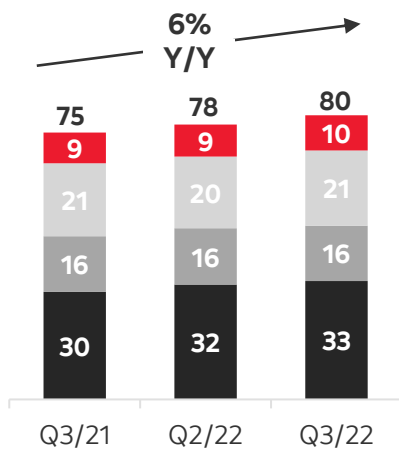
- RWA increased \$7.5 billion Q/Q
- Strong organic growth, mainly in business lending, retail mortgages and personal loans, partially offset by:
  - Updates to advanced internal-ratings based models
  - The impacts of foreign currency translation

<sup>1</sup> This measure has been disclosed in this document in accordance with OSFI Guideline - Capital Adequacy Requirements (November 2018)

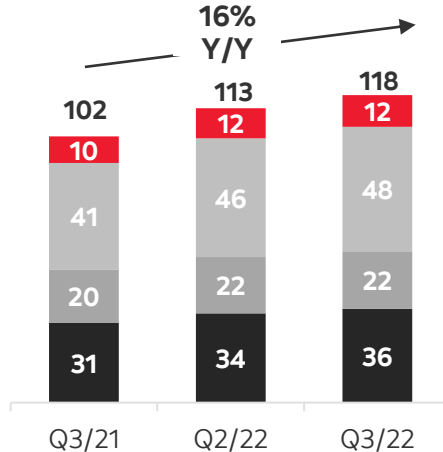
# Scotiabank in the Pacific Alliance<sup>1</sup>

| Q3/22 FYTD <sup>2</sup>                   |  Chile |  Mexico |  Peru |  Colombia | Pacific Alliance Total/Average |
|---|---|--|--|--|--------------------------------|
| Scotiabank Market Share <sup>3,4</sup>    | 14.7%   | 7.9%   | 16.7%  | 5.4%   | 10.7%                          |
| Market Share Ranking <sup>3,4</sup>       | 3rd   | 5 <sup>th</sup>  | 3rd  | 6th  | n.a.                           |
| Average Total Loans <sup>5</sup> (C\$B)   | \$47.5  | \$34.1   | \$21.2   | \$11.9   | \$114.8                        |
| Revenue <sup>5</sup> (C\$B)               | \$1.6   | \$1.7  | \$1.1  | \$0.8  | \$5.1                          |
| Net Income after NCI <sup>5</sup> (C\$MM) | \$631   | \$542  | \$289  | \$38   | \$1,500                        |
| ROE <sup>6</sup>                          | 14.6%   | 21.9%  | 14.0%  | 3.8%   | 15.2%                          |
| # of Employees <sup>4,7</sup>             | 7,537   | 9,071  | 8,906  | 5,798  | 31,312                         |

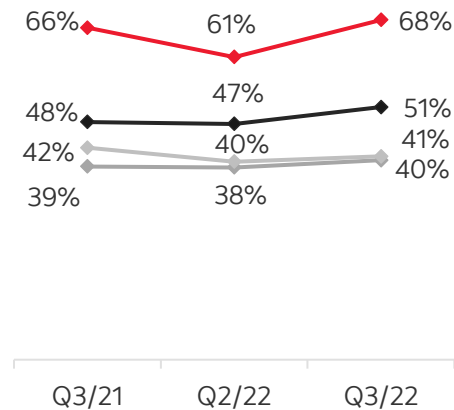
Total Deposit Growth<sup>2,8</sup>



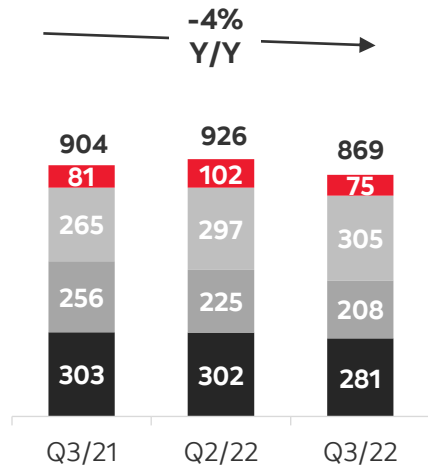
Total Loan Growth<sup>2,8</sup>



Productivity Ratio<sup>2,6</sup>



Total PTPP Growth<sup>2,8,9</sup>



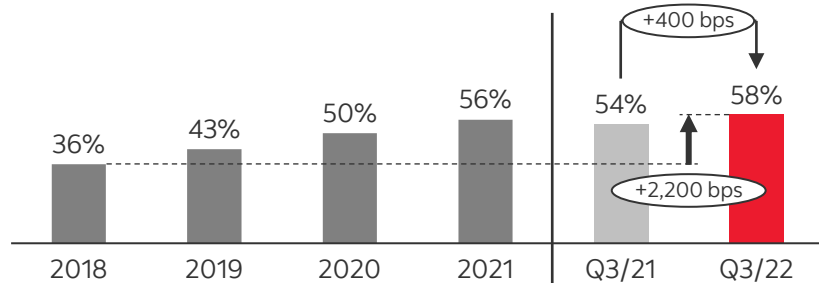
■ Mexico ■ Peru ■ Chile ■ Colombia

<sup>1</sup>Figures excluding Wealth Management; <sup>2</sup>Growth rates (%) are on a constant dollar basis, while metrics are on a reported basis; <sup>3</sup>Ranking based on publicly traded banks by total loans market share, as of June 2022; except Colombia as of April 2022; <sup>4</sup>As of July 31, 2022; <sup>5</sup>For the nine months ended July 31, 2022; <sup>6</sup>Refer to page 51 of the Management's Discussion & Analysis in the Bank's Third Quarter 2022 Report to Shareholders, available on <http://www.sedar.com>, for an explanation of the composition of the measure. Such explanation is incorporated by reference hereto; <sup>7</sup>Employees are reported on a full-time equivalent basis; <sup>8</sup>May not add due to rounding; <sup>9</sup>Pre-Tax, Pre-Provision Profit defined as revenues less expenses

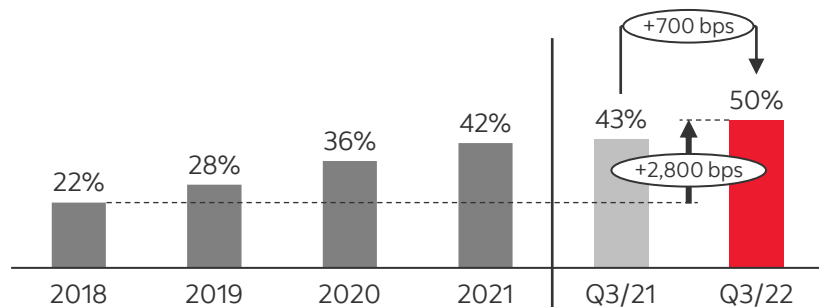
# Digital Progress: All-Bank

- **Canada:** Continued Digital Sales growth, supported by higher Digital Adoption and more active users across Digital and Mobile platforms
- **Pacific Alliance:** Strong progress in all Digital metrics, particularly in Digital Sales and Digital Adoption

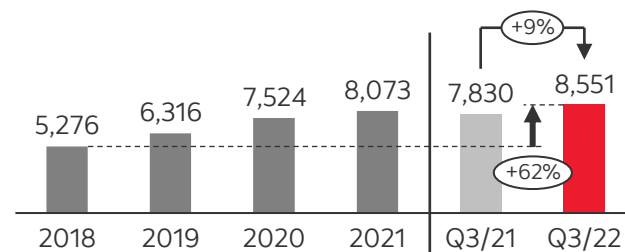
Digital Adoption (%)



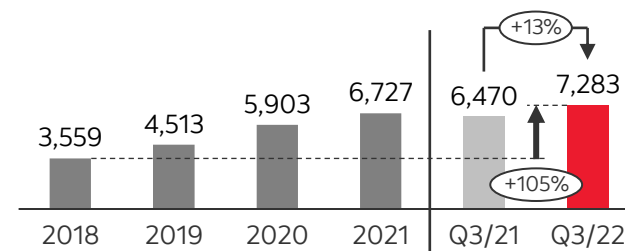
Digital Sales (%)



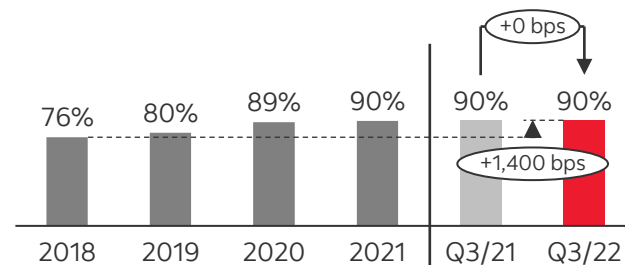
Active Digital Users (#'000)



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



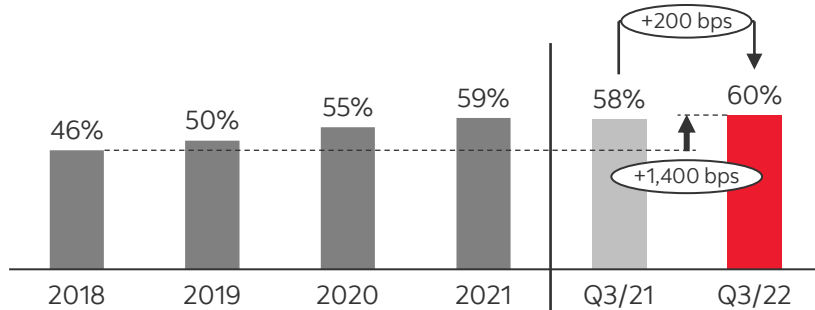
Self-Serve Transactions (%)



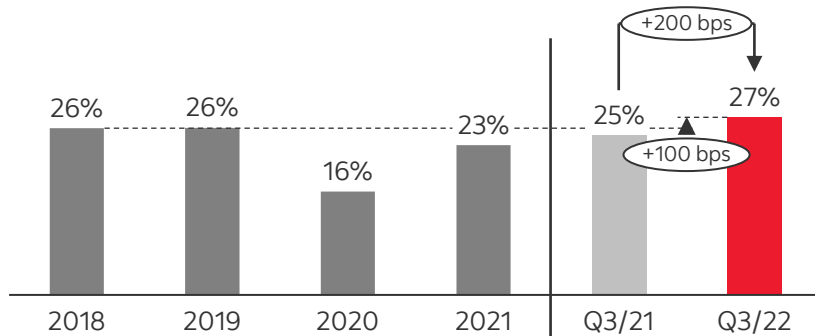
<sup>1</sup>2018 and 2019 use historical estimation based on available mobile user data for Colombia and Chile

# Digital Progress: Canada

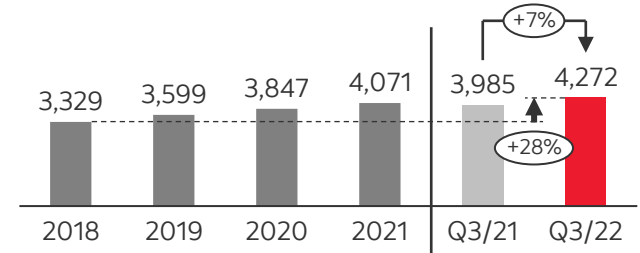
**Digital Adoption (%)**



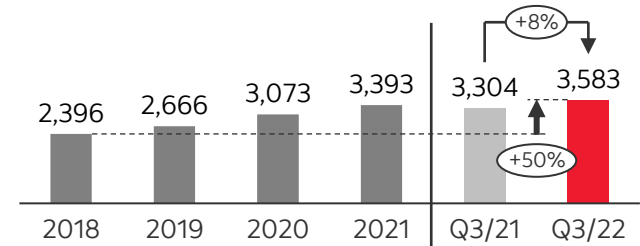
**Digital Sales (%)**



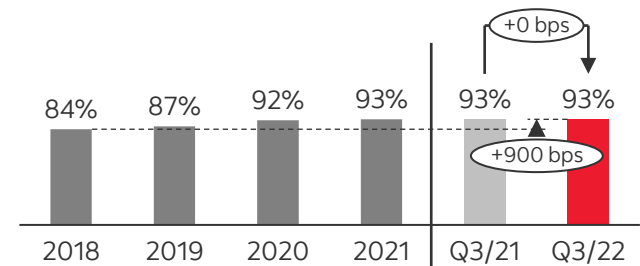
**Active Digital Users (#'000)**



**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)

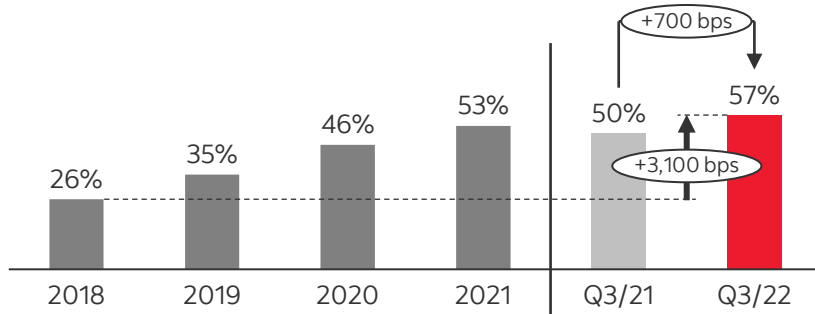
Digital Users: # of customers who logged into website and/or mobile in the last 90 days

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

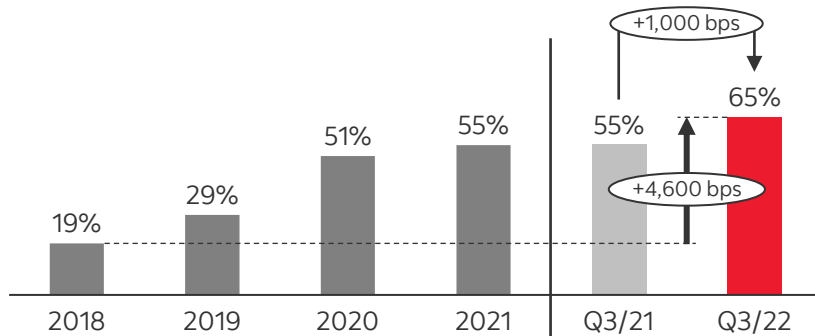
Self-serve Transactions: % of Financial transactions through Digital, ABM, IVR

# Digital Progress: Pacific Alliance

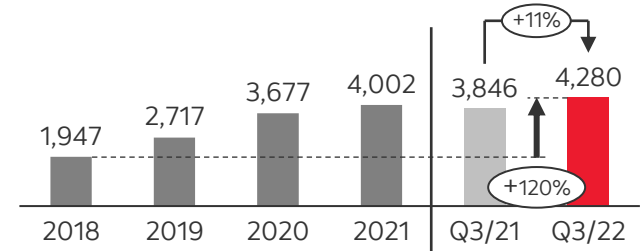
**Digital Adoption (%)**



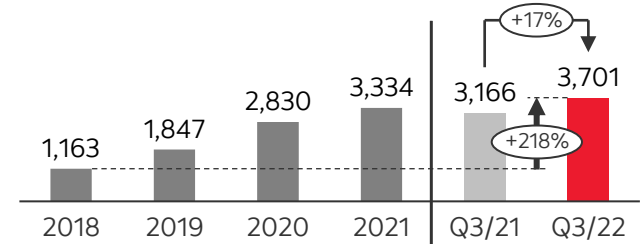
**Digital Sales (%)**



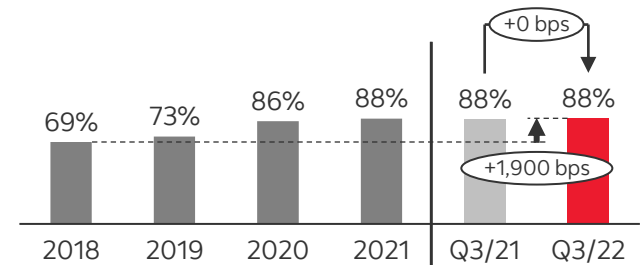
**Active Digital Users (#'000)**



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



**Self-Serve Transactions (%)**



## 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



# Technology Strategy



- Build a strong and scalable platform foundation



- Cloud-first strategy for automation and speed

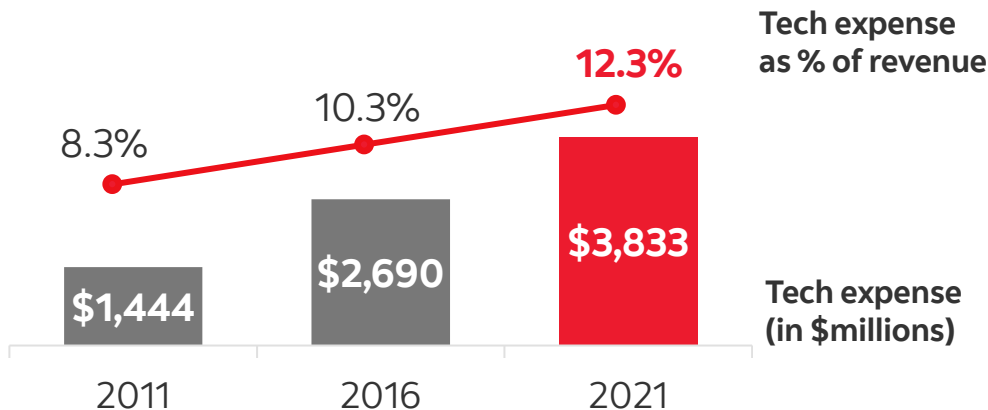


- Rebalance core technology spending towards modernization



- 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

## Sustainable Finance

- Issued a **USD\$1 billion 3-year sustainability bond**, Scotiabank's first, and the largest sustainability bond by a Canadian financial or corporate entity in 2021
- Acted as a bookrunner for a cumulative **\$22 billion in green, social, sustainability and sustainability-linked bonds** since 2014
- Deployed a total of **\$3.8 billion** since 2018 through the **Scotiabank Women Initiative®**, which provides capital to women-owned and women-led businesses
- Mobilized a total of **\$58 billion** in climate-related finance since November 1, 2018, toward a raised target of **\$350 billion by 2030**

## Environmental

- A member of the Net-Zero Banking Alliance, Scotiabank will be a **net-zero bank by 2050**. Our Net-Zero Pathways Report established interim **financed emissions targets and actions** for the Bank's priority high-emitting sectors
- Achieved the **25% target reduction for GHG emissions** four years ahead of our 2025 target, in alignment with our goal for net-zero emissions in our operations by 2030
- Aim to **secure 100% non-emitting electricity** in Canada by 2025 and globally by 2030<sup>1</sup>

## Social

- Scotiabank **renewed diversity goals** in November 2020, including a goal to have women represent greater than 40% of the global VP+ leadership team by 2025. Scotiabank is ranked 14<sup>th</sup> globally on Refinitiv's Diversity and Inclusion Index
- 2021 Community investment of \$77 million** in donations, community sponsorships, academic partnership, and employee volunteering
- \$26 million** distributed to 200+ organizations within **ScotiaRISE, a 10-year, \$500 million initiative** to promote economic resilience among disadvantaged groups

## Governance

- Included in the Dow Jones Sustainability Index** (4<sup>th</sup> year), place in the top 8% of global financial institutions and have industry-leading scores for governance, anti-crime policy and risk and crisis management
- A **Corporate ESG committee**, ultimately reporting to the Board, oversees the Bank's ESG strategy implementation
- Awarded Outstanding Global Leadership in Sustainability Transparency** (2022 Global Finance Awards) & **Best Corporate Sustainability Strategy** (ESG Investing Awards 2022)

| Metric  | Target                | 2021     | 2020     | 2019     |
|---|-----------------------|----------|----------|----------|
| Green, social, sustainable & sustainability-linked bonds underwritten <sup>2</sup> (billions) |                       | \$13.0   | \$5.0    | —        |
| Capital mobilized for climate-related finance (cumulative since 2018, billions)               | \$350 billion by 2030 | \$58     | \$28     | \$16     |
| Reduction of GHG emissions (Global, scope 1 & 2, 2016)  | 25% by 2025           | 25%      | 20%      | 17%      |
| Electricity from non-emitting sources   | 100% by 2030          | 63%      | 61%      | 61%      |
| Women (VP+, global)   | 40% by 2025           | 37%      | 36%      | 35%      |
| People of Colour (VP+, Canada) <sup>3</sup>   | 30% by 2025           | 29%      | 28%      | 20%      |
| Economic value distributed (billions) <sup>4</sup>  |                       | \$21.0   | \$20.9   | \$21.2   |
| Dow Jones Sustainability Index (DJSI) North American Index                                    | Maintain inclusion    | Achieved | Achieved | Achieved |
| CDP climate change score  |                       | A-       | A-       | B        |

## Financing a Sustainable Future

| Mobilizing   | Underwriting  | Investing  | Issuance  |
|--|---|--|---|
| <b>\$58 billion</b>  | <b>\$22 billion</b>   | <b>\$2.9 billion</b>   | <b>\$1.5 billion</b>  |
| Capital for climate-related finance since November 1, 2018 | Apportioned value of total green, social, sustainability & sustainability-linked bonds underwritten | Green and sustainable bonds purchased for the Bank's liquid asset investment portfolio | Proceeds fund green and social assets, including the advancement of women-led businesses. |



# 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
- Published Scotia Global Asset Management's inaugural Stewardship and Responsible Investment Report on February 23, 2022

#### Leadership in ESG Funds

- Introduced the Dynamic Active Sustainable Solutions, including the newly launched Dynamic Sustainable Equity Fund and re-branded Dynamic Sustainable Credit Fund
- Launched Scotia SRI ETFs in January with Tangerine as the key initial distribution partner (suite of 4 ETFs)



### Green Vehicles

#### Leadership in EV Incentives

- FYTD as of July 2022, EV loans represented 8.6% of our total Auto bookings and were 6.0% of the total amount financed; in comparison, EV represented 6.4% of our total Auto bookings and 7.4 % of the total amount financed throughout FY2021
- Scotiabank's booking growth for electric vehicles was 36% Y/Y in the FYTD as of July FY2022, compared to the Y/Y growth of 121% we experienced in the same period in FY2021

#### Leadership in EV Financing

- We have an exclusive relationship with **Polestar** and **Rivian** as well as a semi-exclusive relationship with **Tesla**



### Housing

#### Leadership in Indigenous Financial Services

- Scotiabank operates 27 Indigenous Financial 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

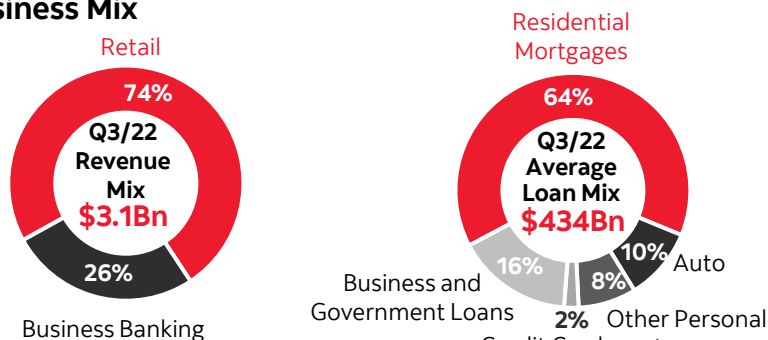
# **Business Line Overview**

## **Canadian Banking**

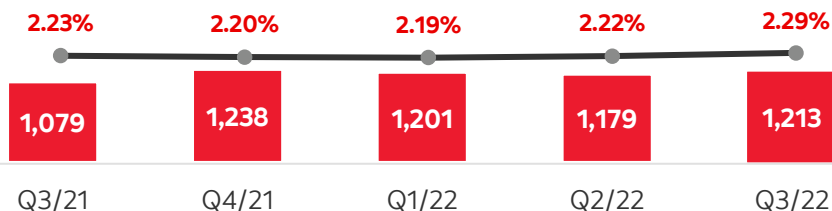
# Canadian Banking

**Canadian Banking** provides a full suite of financial advice and banking solutions, supported by an excellent customer experience, to over 10 million Retail, Small Business and Commercial Banking customers. It serves these customers through its network of 947 branches and 3,734 automated banking machines (ABMs), as well as online, mobile and telephone banking, and specialized sales teams. Canadian Banking also provides an alternative self directed banking solution to over 2 million Tangerine Bank customers.

## Business Mix



## Reported Net Income<sup>1</sup> (\$MM) and NIM<sup>4</sup> (%)



## Medium-Term Financial Objectives

|                                  | Target <sup>6</sup> |
|----------------------------------|---------------------|
| Net Income Growth <sup>1,4</sup> | 5%+                 |
| Productivity Ratio <sup>4</sup>  | <44%                |
| Operating Leverage <sup>4</sup>  | Positive            |

## Strategic Focus

- Growing Commercial Banking in select industries (agriculture, health care & professionals, real estate and technology)
- Growing in under-represented provinces (BC and Quebec)

## Financial Results

|  | \$MM    | Q3/22    | Y/Y       | Q/Q |
|--|---------|----------|-----------|-----|
| Reported                                   |         |          |           |     |
| Net Income <sup>1</sup>                    | \$1,213 | 12%      | 3%        |     |
| Pre-Tax, Pre Provision Profit <sup>2</sup> | \$1,734 | 13%      | 10%       |     |
| Revenue                                    | \$3,119 | 12%      | 7%        |     |
| Expenses                                   | \$1,385 | 9%       | 5%        |     |
| PCLs                                       | \$93    | 34%      | nmf       |     |
| Productivity Ratio <sup>3</sup>            | 44.4%   | (90 bps) | (120 bps) |     |
| Net Interest Margin <sup>4</sup>           | 2.29%   | 6 bps    | 7 bps     |     |
| PCL Ratio <sup>3,5</sup>                   | 9 bps   | 2 bps    | 10 bps    |     |
| PCL Ratio on Impaired Loans <sup>3,5</sup> | 13 bps  | (1 bp)   | -         |     |
| Adjusted <sup>4</sup>                      |         |          |           |     |
| Net Income <sup>1</sup>                    | \$1,217 | 12%      | 3%        |     |
| Pre-Tax, Pre Provision Profit              | \$1,739 | 13%      | 10%       |     |
| Expenses                                   | \$1,380 | 9%       | 5%        |     |
| Productivity Ratio                         | 44.2%   | (90 bps) | (120 bps) |     |

<sup>1</sup> Net income attributed to equity shareholders; <sup>2</sup> Pre-Tax, Pre-Provision Profit defined as revenues less expenses; <sup>3</sup> Refer to page 51 of the Management's Discussion & Analysis in the Bank's Third Quarter 2022 Report to Shareholders, available on <http://www.sedar.com>, for an explanation of the composition of the measure. Such explanation is incorporated by reference hereto; <sup>4</sup> Refer to non-GAAP measures on page 4 of the Management's Discussion & Analysis in the Bank's Third Quarter 2022 Report to Shareholders, available on <http://www.sedar.com>; <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

# Loan Portfolio

- **High Quality Residential Mortgage Portfolio**

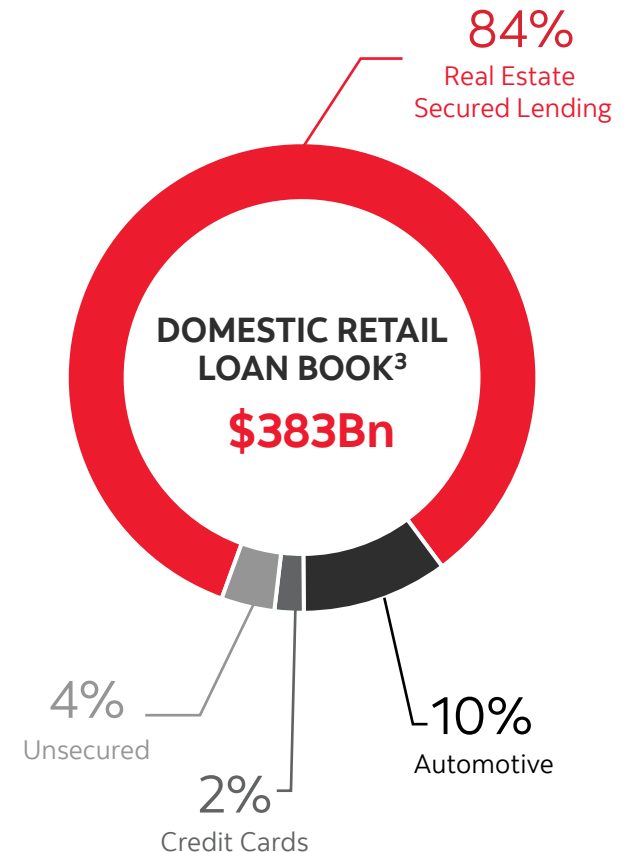
- 28% insured; remaining 72% uninsured has an LTV of 46%<sup>1</sup>
- Mortgage business model is “originate to hold”
- New originations<sup>2</sup> in Q3/22 had average uninsured LTV of 63%
- Majority is freehold properties; condominiums represent approximately 15% of the portfolio

- **Market Leader in Auto Loans**

- \$39.4 billion<sup>4</sup> retail auto loan portfolio with 10 OEM relationships (6 exclusive)
- Prime Auto and Leases (~93.0%)
- Stable lending tenor with contractual terms for new originations averaging 80 months (~6.5 years) with projected effective terms of 54 months (4.5 years)

- **Prudent Growth in Credit Cards**

- \$7 billion<sup>5</sup> 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

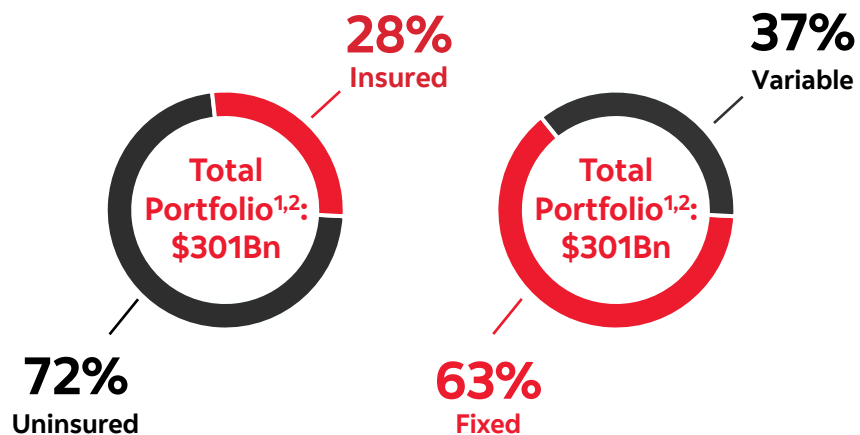
<sup>3</sup> Spot Balance as of July 31, 2022; Percentages may not add to 100% due to rounding

<sup>4</sup> Net of allowance for credit losses

<sup>5</sup> Spot balance for July 31, 2022

# Canadian Residential Mortgages

High quality stable portfolio. Credit trends performing strongly

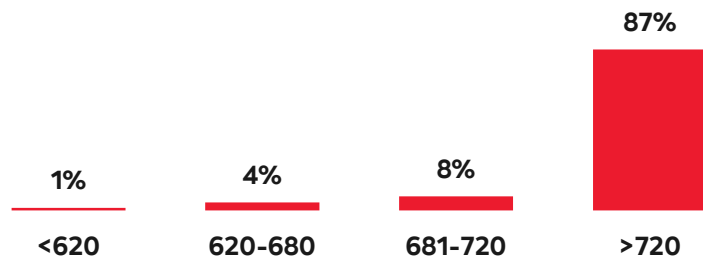


## Canadian Mortgage Portfolio

|   | Mortgage Portfolio | Variable Mortgages |
|---|--------------------|--------------------|
| Total Outstanding Balance                     | \$301Bn            | \$110Bn            |
| Uninsured Outstanding Balance                 | \$218Bn            | \$96Bn             |
| Average LTV <sup>3</sup>                      | 46%                | 52%                |
| % of mortgages maturing in the next 12 months | 8%                 | 1%                 |

Total and variable mortgage portfolio have an average FICO score of approximately 800

## FICO® Distribution – Canadian Uninsured Portfolio<sup>4</sup>



## Canadian Uninsured Mortgage Portfolio

|        | Average FICO® Score | % of Portfolio Uninsured |
|--------|---------------------|--------------------------|
| Canada | 800                 | 72%                      |
| GTA    | 803                 | 83%                      |
| GVA    | 805                 | 84%                      |

<sup>1</sup>Includes Wealth Management

<sup>2</sup>Spot Balances at Q3/22

<sup>3</sup>Weighted by mortgage balances and adjusted for property values based on the Teranet – National Bank National Composite House Price Index

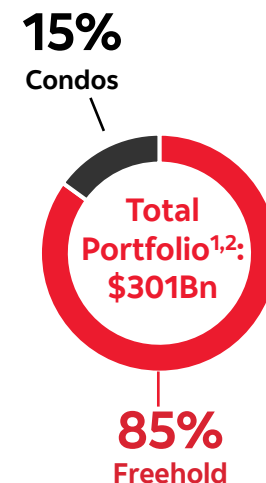
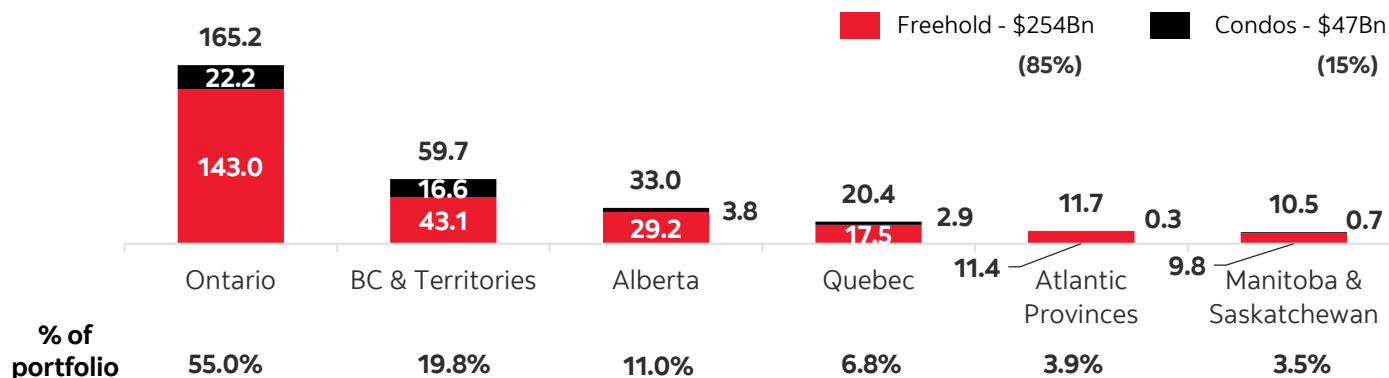
<sup>4</sup>FICO is a registered trademark of Fair Isaac Corporation



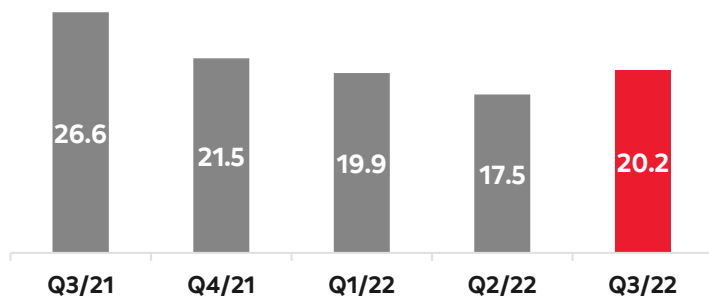
# Canadian Residential Mortgages

High quality stable portfolio. Credit trends performing strongly

Canadian Mortgage Portfolio<sup>1</sup>: \$301Bn (Spot balances as at Q3/22, \$Bn)



## Canadian Mortgage Originations (\$Bn)



## New GTA/GVA Mortgage Originations

|                               | Q3/21 | Q2/22 | Q3/22 |
|-------------------------------|-------|-------|-------|
| <b>Greater Toronto Area</b>   |       |       |       |
| Total Originations (\$Bn)     | 7.8   | 5.3   | 5.8   |
| Uninsured LTV <sup>3</sup>    | 64%   | 62%   | 63%   |
| <b>Greater Vancouver Area</b> |       |       |       |
| Total Originations (\$Bn)     | 3.3   | 2.3   | 2.3   |
| Uninsured LTV <sup>3</sup>    | 64%   | 62%   | 62%   |

|                                      | Q3-21 | Q4-21 | Q1-22 | Q2-22 | Q3-22 |
|--------------------------------------|-------|-------|-------|-------|-------|
| Average Uninsured LTV at Origination | 65%   | 65%   | 64%   | 63%   | 63%   |

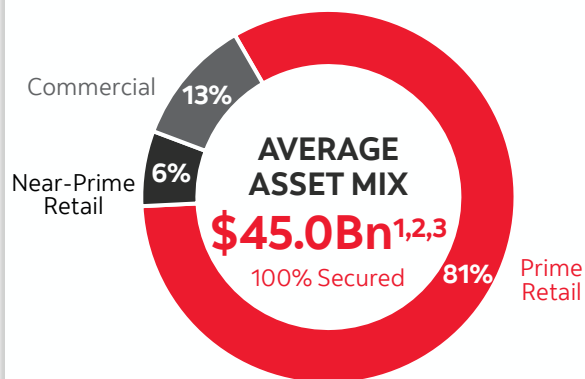
<sup>1</sup>Includes Wealth Management

<sup>2</sup>Spot Balances at Q3/22

<sup>3</sup>Average LTV ratios for our uninsured residential mortgages originated during the quarter

# Automotive Finance

- Canada's leader in automotive finance
- Provide personal and commercial dealer financing solutions, in partnership with ten leading global automotive manufacturers in Canada
- Portfolio increased 3.4% year-over-year<sup>1</sup>. Personal up 2.9%, Commercial up 8.4%



## Exclusive Relationships

**MAZDA VOLVO POLESTAR RIVIAN JAGUAR/LAND ROVER**  
**MITSUBISHI**

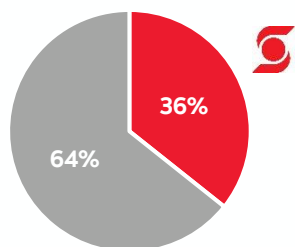
## Semi-Exclusive Relationships\*

**HYUNDAI CHRYSLER/STELLANTIS GENERAL MOTORS**  
**TESLA**

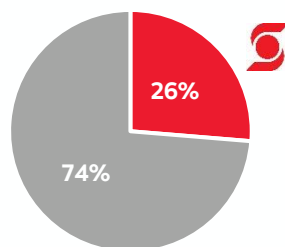
\* 1 to 2 other financial institutions comprise Semi-Exclusive relationships

## Market Share

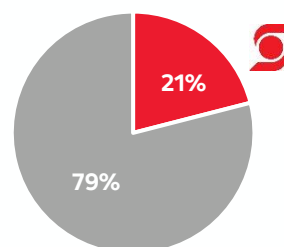
Prime Retail Market Share<sup>4</sup>



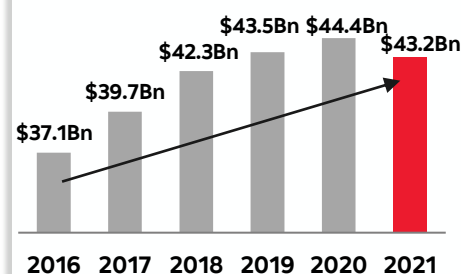
Near-Prime Retail Market Share<sup>5</sup>



Commercial Floorplan Market Share<sup>6</sup>



## Asset Growth (\$Bn)



<sup>1</sup> For the three months ended July 31, 2022; <sup>2</sup> May not add due to rounding; <sup>3</sup> Net of allowance for credit losses; <sup>4</sup> CBA data as of January 2022, includes RBC, BMO, TD, Scotiabank, CIBC, National Bank, Laurentian Bank, Canadian Western Bank, HSBC Canada; <sup>5</sup> DealerTrack Portal data, includes all Near-Prime Retail providers on DealerTrack Portal, data for July 2022 originations; <sup>6</sup> Includes BMO, CIBC, RBC, Scotiabank, TD, HSBC, Canadian Western Bank, Laurentian Bank, data as of December 2021

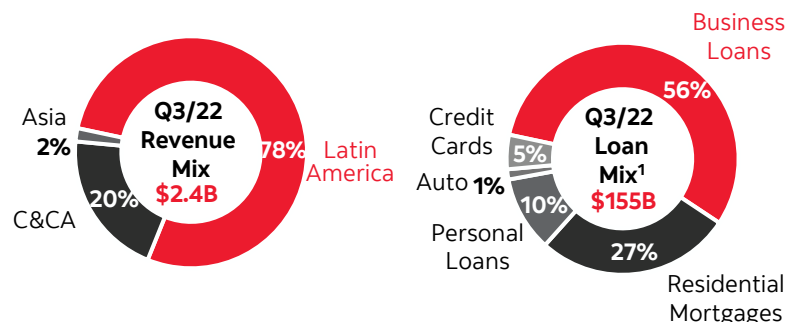
# **Business Line Overview**

## **International Banking**

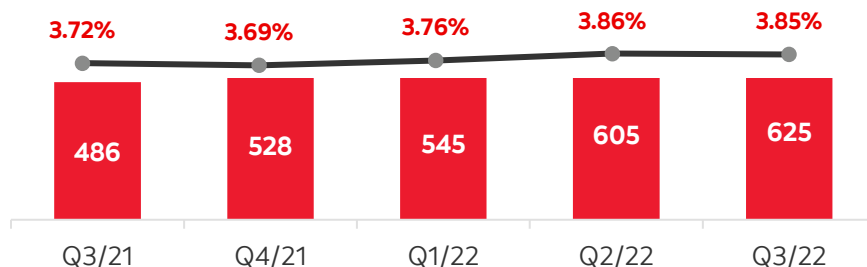
# International Banking

**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



## Reported Net Income<sup>3</sup> (\$MM) and NIM<sup>6</sup> (%)



## Medium-Term Financial Objectives

|                                  | Target <sup>8</sup> |
|----------------------------------|---------------------|
| Net Income Growth <sup>3,6</sup> | 9%+                 |
| Productivity Ratio <sup>6</sup>  | <50%                |
| Operating Leverage <sup>6</sup>  | Positive            |

## Strategic Focus

- Deepening relationships with the Affluent Retail segment
- Continue driving efficiencies and customer experience by leveraging Digital

## Financial Results

|  |         | Constant dollar basis <sup>2,6</sup> |                  |         |                  |
|--|---------|--------------------------------------|------------------|---------|------------------|
| \$MM                                       | Q3/22   | Q3/21                                | Y/Y <sup>2</sup> | Q2/22   | Q/Q <sup>2</sup> |
| Reported                                   |         |                                      |                  |         |                  |
| Net Income <sup>3</sup>                    | \$625   | \$481                                | 30%              | \$598   | 5%               |
| Pre-Tax, Pre Provision Profit <sup>4</sup> | \$1,124 | \$1,051                              | 7%               | \$1,126 | -                |
| Revenue                                    | \$2,419 | \$2,351                              | 3%               | \$2,383 | 2%               |
| Expenses                                   | \$1,295 | \$1,300                              | -                | \$1,257 | 3%               |
| PCLs                                       | \$325   | \$343                                | (5%)             | \$273   | 19%              |
| Productivity Ratio <sup>5</sup>            | 53.5%   | 55.0%                                | (150 bps)        | 52.7%   | 80 bps           |
| Net Interest Margin <sup>6</sup>           | 3.85%   | 3.72%                                | 13 bps           | 3.86%   | (1 bp)           |
| PCL Ratio <sup>5,7</sup>                   | 84 bps  | 100 bps                              | (16 bps)         | 77 bps  | 7 bps            |
| PCL Ratio Impaired Loans <sup>5,7</sup>    | 68 bps  | 208 bps                              | (140 bps)        | 77 bps  | (9 bps)          |
| Adjusted <sup>5</sup>                      |         |                                      |                  |         |                  |
| Net Income <sup>3</sup>                    | \$631   | \$488                                | 30%              | \$605   | 5%               |
| Pre-Tax, Pre Provision Profit              | \$1,134 | \$1,061                              | 7%               | \$1,136 | -                |
| Expenses                                   | \$1,285 | \$1,290                              | -                | \$1,247 | 3%               |
| Productivity Ratio                         | 53.2%   | 54.6%                                | (140 bps)        | 52.2%   | 100 bps          |

<sup>1</sup> May not add due to rounding; <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> Net income attributed to equity shareholders; <sup>4</sup> Pre-Tax, Pre-Provision Profit defined as revenues less expenses; <sup>5</sup> Refer to page 51 of the Management's Discussion & Analysis in the Bank's Third Quarter 2022 Report to Shareholders, available on <http://www.sedar.com>, for an explanation of the composition of the measure. Such explanation is incorporated by reference hereto; <sup>6</sup> Refer to non-GAAP measures on page 4 of the Management's Discussion & Analysis in the Bank's Third Quarter 2022 Report to Shareholders, available on <http://www.sedar.com>; <sup>7</sup> Provision for credit losses on certain assets – loans, acceptances and off-balance sheet exposures; <sup>8</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-targeting regimes
- Free trade agreements and free-floating currencies
- Business-friendly environments

## Sound Macro Environment

- Diversified economies with solid GDP growth
- Resilience to economic and political cycles
- Relatively low debt/GDP ratios compared with OECD and emerging-market economies
- Increasing adoption of banking services

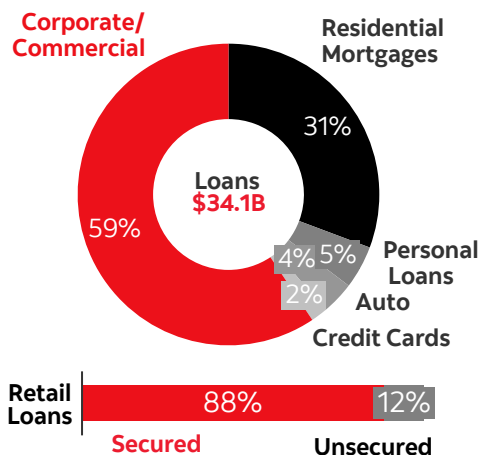
## Favourable Demographics

- 234 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

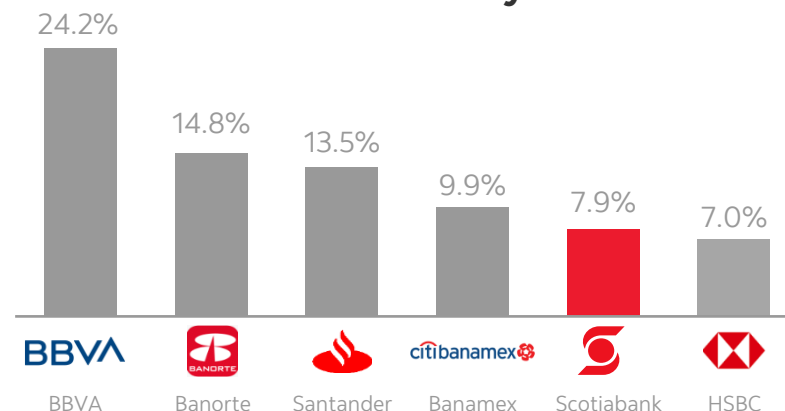
# Scotiabank in Mexico

## Business Overview<sup>1</sup>

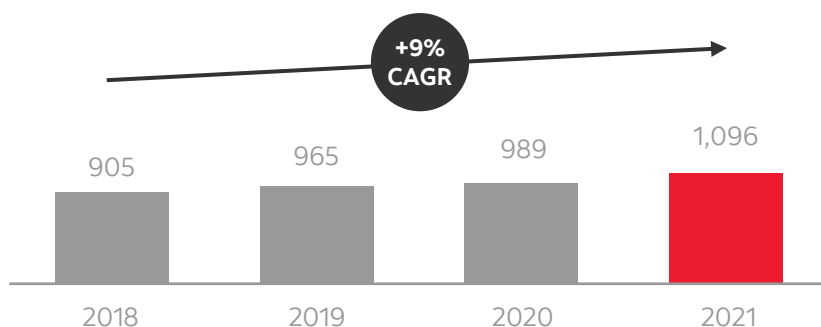
|                                       |         |
|---------------------------------------|---------|
| Customers <sup>2</sup>                | ~3.1MM  |
| Employees <sup>2</sup>                | ~9,000  |
| Branches <sup>2</sup>                 | 474     |
| Average Loans                         | \$34B   |
| Average Deposits                      | \$32B   |
| Total NIAT (after NCI) <sup>3,4</sup> | \$542MM |
| ROE <sup>3,4</sup>                    | 21.9%   |
| Productivity <sup>3,4</sup>           | 48.9%   |



## Market Position by Loans<sup>5</sup>



## PTPP<sup>1,6</sup>



All figures excluding Wealth Management

<sup>1</sup> PTPP as reported, CAGR on a constant dollar basis

<sup>2</sup> Including subsidiaries

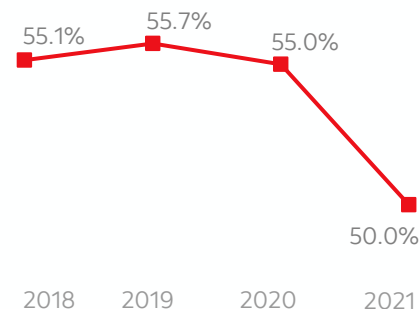
<sup>3</sup> FYTD'22 Results

<sup>4</sup> Refer to non-GAAP measures on page 4 of the Management's Discussion & Analysis in the Bank's Third Quarter 2022 Report to Shareholders, available on <http://www.sedar.com>

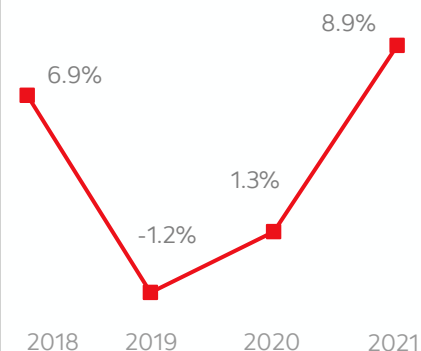
<sup>5</sup> Source: CNBV as of June 2022

<sup>6</sup> Pre-Tax, Pre-Provision Profit defined as revenues less expenses

## Productivity Ratio<sup>4</sup>



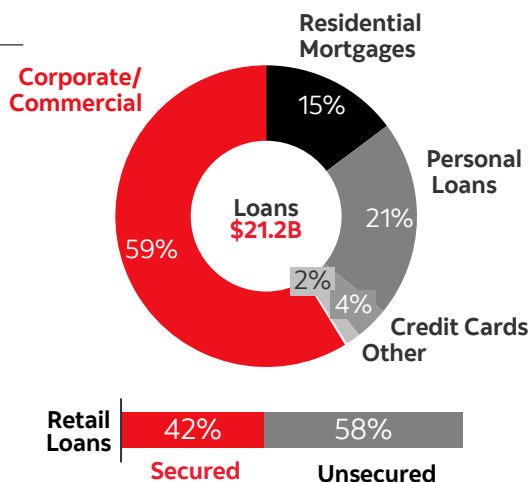
## Operating Leverage<sup>4</sup>



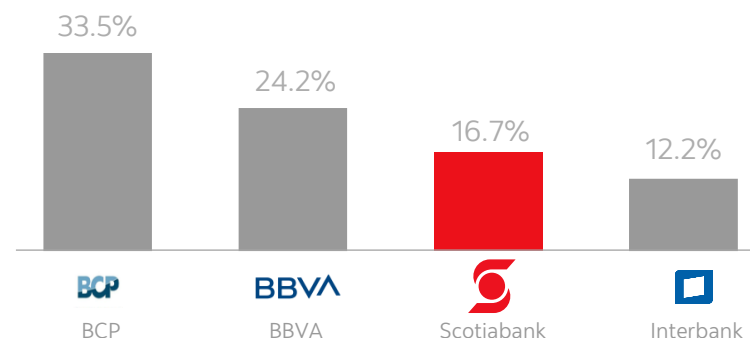
# Scotiabank in Peru

## Business Overview<sup>1</sup>

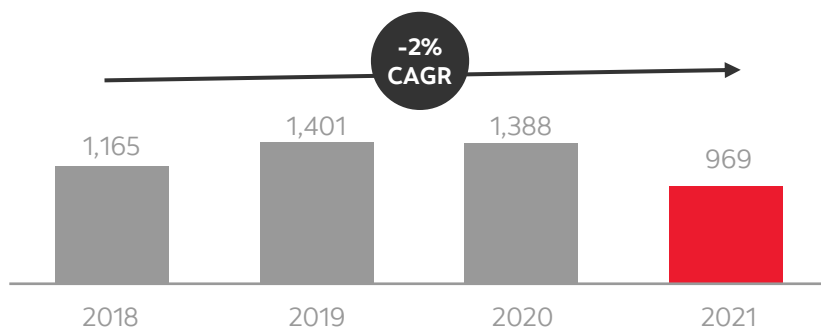
|                                       |        |
|---------------------------------------|--------|
| Customers <sup>2</sup>                | ~3.3MM |
| Employees <sup>2</sup>                | ~8,900 |
| Branches <sup>2</sup>                 | 256    |
| Average Loans                         | \$21B  |
| Average Deposits                      | \$16B  |
| Total NIAT (after NCI) <sup>3,4</sup> | \$289M |
| ROE <sup>3,4</sup>                    | 14.0%  |
| Productivity <sup>3,4</sup>           | 38.4%  |



## Market Position by Loans<sup>5</sup>



## PTPP<sup>1,6</sup>



All figures excluding Wealth Management

<sup>1</sup> PTPP as reported, CAGR on a constant dollar basis

<sup>2</sup> Including subsidiaries

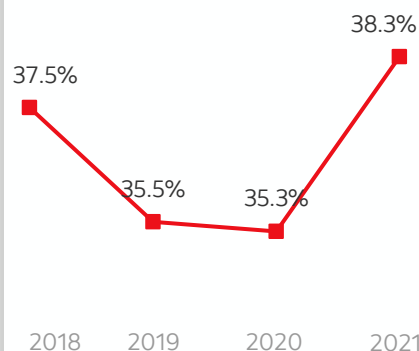
<sup>3</sup> FYTD'22 Results

<sup>4</sup> Refer to non-GAAP measures on page 4 of the Management's Discussion & Analysis in the Bank's Third Quarter 2022 Report to Shareholders, available on <http://www.sedar.com>

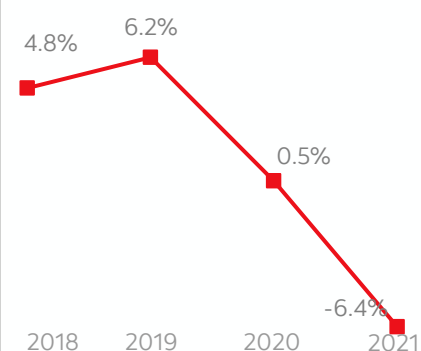
<sup>5</sup> Market share as of June 2022. Scotiabank includes SBP, CSF and Caja CAT

<sup>6</sup> Pre-Tax, Pre-Provision Profit defined as revenues less expenses

## Productivity Ratio<sup>4</sup>



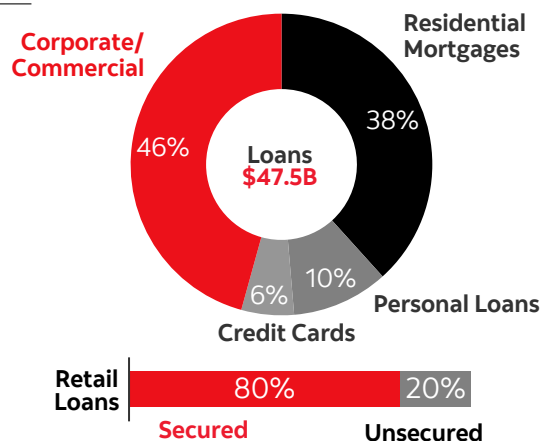
## Operating Leverage<sup>4</sup>



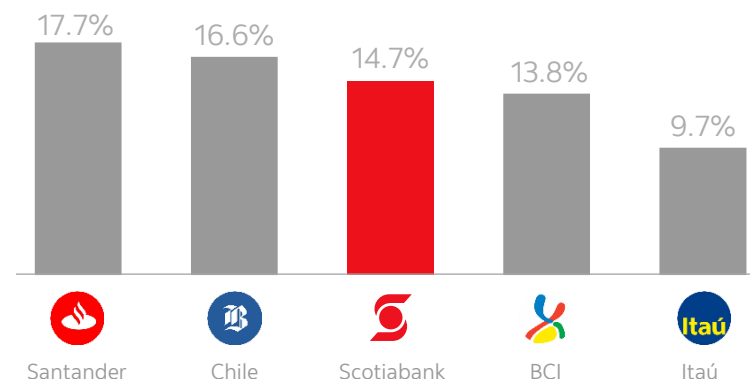
# Scotiabank in Chile

## Business Overview<sup>1</sup>

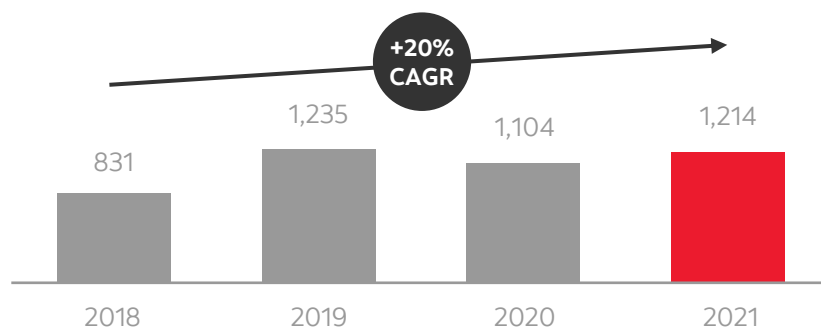
|                                       |         |
|---------------------------------------|---------|
| Customers <sup>2</sup>                | ~2.8MM  |
| Employees <sup>2</sup>                | ~7,500  |
| Branches <sup>2</sup>                 | 109     |
| Average Loans                         | \$48B   |
| Average Deposits                      | \$21B   |
| Total NIAT (after NCI) <sup>3,4</sup> | \$631MM |
| ROE <sup>3,4</sup>                    | 14.6%   |
| Productivity <sup>3,4</sup>           | 40.4%   |



## Market Position by Loans<sup>5</sup>



## PTPP<sup>1,6</sup>



All figures excluding Wealth Management

<sup>1</sup> PTPP as reported, CAGR on a constant dollar basis

<sup>2</sup> Including subsidiaries

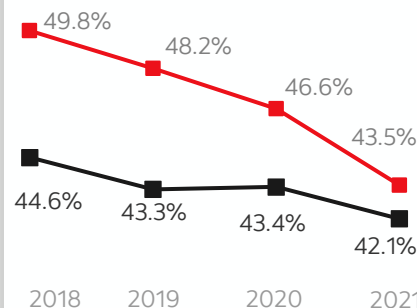
<sup>3</sup> FYTD'22 Results

<sup>4</sup> Refer to non-GAAP measures on page 4 of the Management's Discussion & Analysis in the Bank's Third Quarter 2022 Report to Shareholders, available on <http://www.sedar.com>

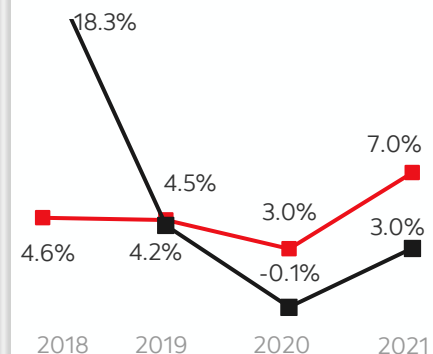
<sup>5</sup> Market share as of June 2022, includes only private banks. Scotiabank includes Cencosud, Source: CMF

<sup>6</sup> Pre-Tax, Pre-Provision Profit defined as revenues less expenses

## Productivity Ratio<sup>4</sup>



## Operating Leverage<sup>4</sup>



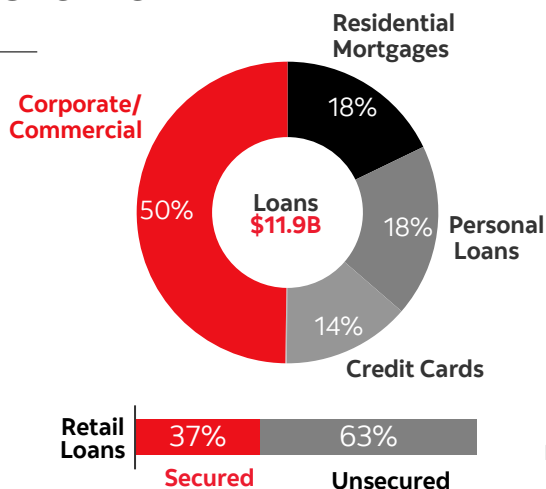
— Reported — Adjusted



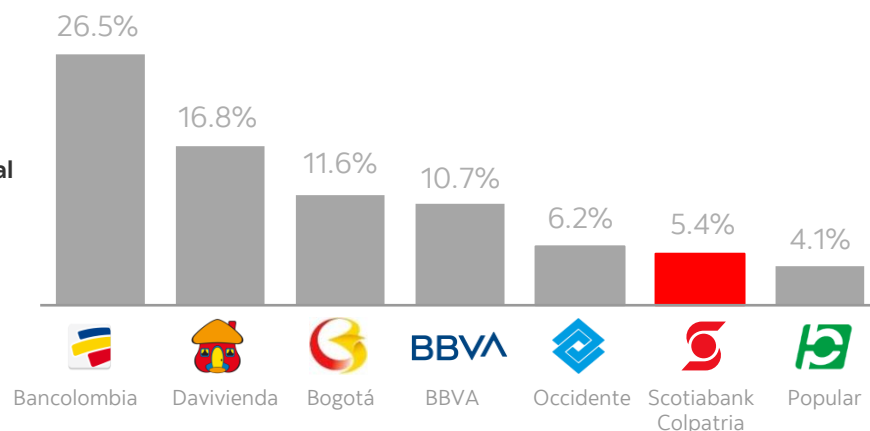
# Scotiabank in Colombia

## Business Overview<sup>1</sup>

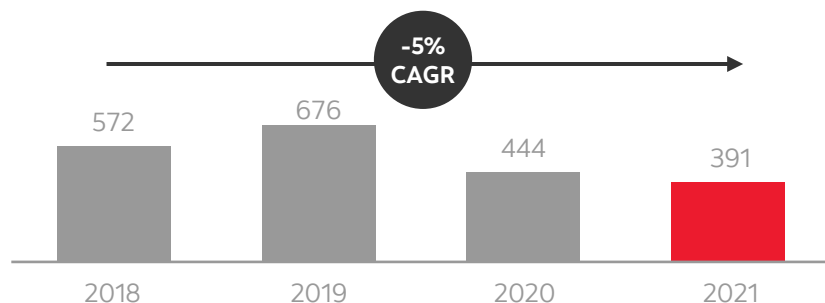
|                                       |        |
|---------------------------------------|--------|
| Customers <sup>2</sup>                | ~2.8MM |
| Employees <sup>2</sup>                | ~5,800 |
| Branches <sup>2</sup>                 | 132    |
| Average Loans                         | \$12B  |
| Average Deposits                      | \$10B  |
| Total NIAT (after NCI) <sup>3,4</sup> | \$38MM |
| ROE <sup>3,4</sup>                    | 3.8%   |
| Productivity <sup>3,4</sup>           | 64.7%  |



## Market Position by Loans<sup>5,6</sup>



## PTPP<sup>1,7</sup>



All figures excluding Wealth Management

<sup>1</sup> PTPP as reported, CAGR on a constant dollar basis

<sup>2</sup> Including subsidiaries

<sup>3</sup> FYTD'22 Results

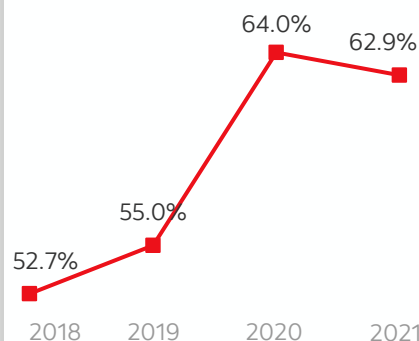
<sup>4</sup> Refer to non-GAAP measures on page 4 of the Management's Discussion & Analysis in the Bank's Third Quarter 2022 Report to Shareholders, available on <http://www.sedar.com>

<sup>5</sup> Market share as of April 2022

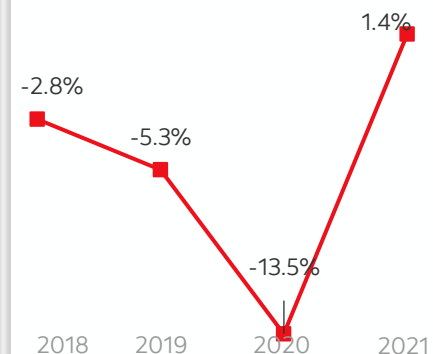
<sup>6</sup> Members of AVAL Group: Banco de Bogotá, Banco de Occidente, Banco Popular and Banco AV Villas

<sup>7</sup> Pre-Tax, Pre-Provision Profit defined as revenues less expenses

## Productivity Ratio<sup>4</sup>



## Operating Leverage<sup>4</sup>



# 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 \$1,005MM carrying value as of July 31, 2022
- Bank of Xi'an reported \$541MM of net income for the eleven months ended September 30, 2021, of which Scotiabank's share is 18%

# **Business Line Overview**

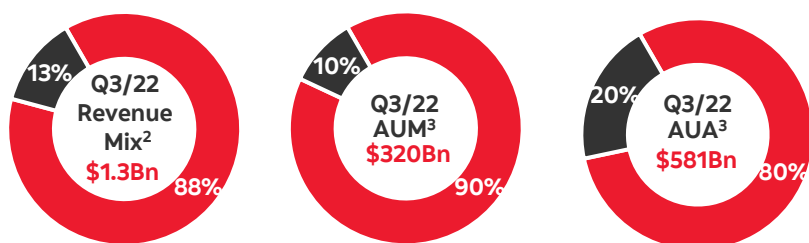
## **Global Wealth Management**

# Global Wealth Management

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

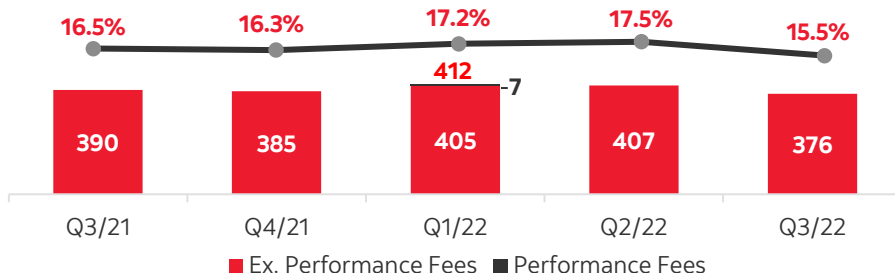
**Global Wealth Management** is focused on delivering comprehensive wealth management advice and solutions to clients across Scotiabank's footprint. Global Wealth Management serves over 2 million investment fund and advisory clients across 14 countries – administering approximately \$600 billion in assets.

## Business Overview



■ International ■ Canada

## Reported Net Income<sup>4</sup> (\$MM) and ROE<sup>5</sup> (%)



## Medium-Term Financial Objectives

|                                  | Target <sup>7</sup> |
|----------------------------------|---------------------|
| Net Income Growth <sup>4,5</sup> | 8%+                 |
| Productivity Ratio <sup>5</sup>  | <65%                |
| Operating Leverage <sup>5</sup>  | Positive            |

## Strategic Focus

- Continued growth opportunities through digital Scotia Smart Investor rollout, close partnership with the Retail bank, and new product innovation

## Financial Results

| \$MM, except AUM/AUA                       | Q3/22   | Y/Y      | Q/Q     |
|--|---------|----------|---------|
| <b>Reported</b>                            |         |          |         |
| Net Income <sup>4</sup>                    | \$376   | (3%)     | (8%)    |
| Pre-Tax, Pre Provision Profit <sup>6</sup> | \$516   | (1%)     | (7%)    |
| Revenue                                    | \$1,312 | (2%)     | (3%)    |
| Expenses                                   | \$796   | (2%)     | (1%)    |
| PCLs                                       | \$5     | nmf      | nmf     |
| Productivity Ratio <sup>3</sup>            | 60.6%   | (30 bps) | 150 bps |
| AUM (\$B) <sup>3</sup>                     | \$320   | (6%)     | (2%)    |
| AUA (\$B) <sup>3</sup>                     | \$581   | -        | (2%)    |
| <b>Adjusted<sup>6</sup></b>                |         |          |         |
| Net Income <sup>4</sup>                    | \$383   | (3%)     | (7%)    |
| Pre-Tax, Pre Provision Profit              | \$525   | (1%)     | (7%)    |
| Expenses                                   | \$787   | (2%)     | (1%)    |
| Productivity Ratio                         | 59.9%   | (30 bps) | 140 bps |

<sup>1</sup>Based on Total Net Income for publicly traded banks in Canada for the 3 months ended July 31, 2022; <sup>2</sup>May not add due to rounding; <sup>3</sup>Refer to page 51 of the Management's Discussion & Analysis in the Bank's Third Quarter 2022 Report to Shareholders, available on <http://www.sedar.com>, for an explanation of the composition of the measure. Such explanation is incorporated by reference hereto; <sup>4</sup>Attributable to equity holders of the bank; <sup>5</sup>Refer to non-GAAP measures on page 4 of the Management's Discussion & Analysis in the Bank's Third Quarter 2022 Report to Shareholders, available on <http://www.sedar.com>; <sup>6</sup>Pre-Tax, Pre-Provision Profit defined as revenues less expenses; <sup>7</sup>3-5 year target from 2020 Investor Day

# Global Wealth Management

#1 in Loan growth<sup>1</sup> | #2 in Net Income growth<sup>1</sup> | #2 in Retail Mutual Fund Assets in Canada<sup>1</sup>

## 3<sup>rd</sup> Largest Wealth Management Business in Canada<sup>1,2</sup>



### Asset Management

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

Mutual Funds

ETFs

Pooled Funds

Liquid Alternatives

Hedge Funds

Private Asset Funds

Segregated Portfolios

Institutional Asset Management



### Wealth Distribution Channels

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

Private Investment Counsel

Full-Service Brokerage

Private Banking

Trust and Philanthropic Services

Online Brokerage

Retail Bank Branch Network

Mobile Advice Team

3<sup>rd</sup> Party Distributors

1832 ASSET  
MANAGEMENT L.P.

ScotiaFunds.

DynamicFunds

JARISLOWSKY  
FRASER

Scotia  
Wealth Management.



Scotia iTRADE.

Scotiabank.  
Branch / mobile advice team

<sup>1</sup> Figures for the 3 months ended April 30, 2022

<sup>2</sup> Ranking based on Net Income

# Global Wealth Management

Strong investment performance, increasing scale

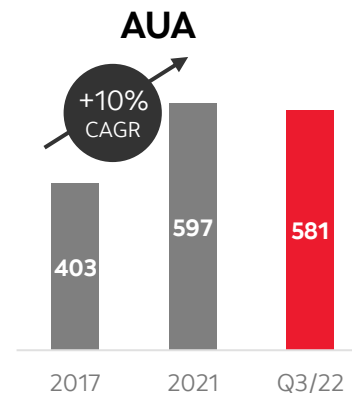
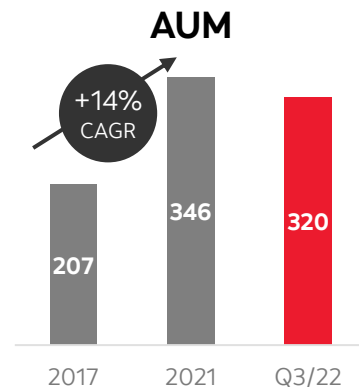
## Market-Leading Capabilities

### Award-Winning Investment Management

- Strong investment return with Dynamic Funds ranking #1 among Independents for 5 year returns.
- #2 in Retail Investment Fund Assets in Canada
- Scotia Fondos market share now #2 in Peru

### Investment Performance Highlights

**73%**<sup>(1)</sup> of 1832 Asset Management assets in the top two quartiles over a five-year period



### Tailored Advice

- **Scotia Wealth Management 2022 Global Finance Awards:** Best Private Bank in Canada; and Best Private Bank for Net Worth between \$1MM and \$24.9MM (GLOBAL CATEGORY)
- **Largest Private Investment Counsel business in Canada (SWM, MD, JFL)**
- Investing in product innovation

**Medicus Pension Plan:** A first-to-market offering, fulfilling a long-standing need for physicians

**Scotia iTRADE:** Enhanced Commission-Free ETF program and new Mobile App

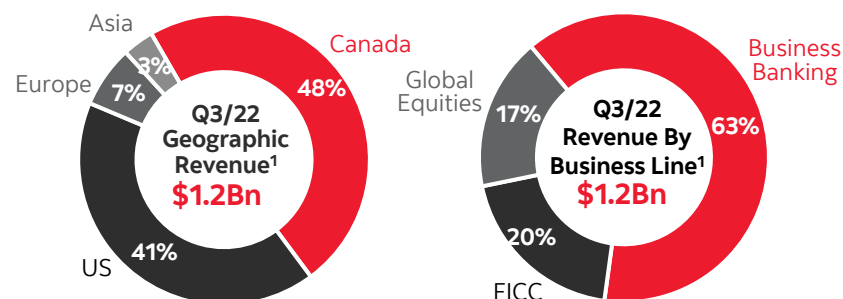
# **Business Line Overview**

## **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.

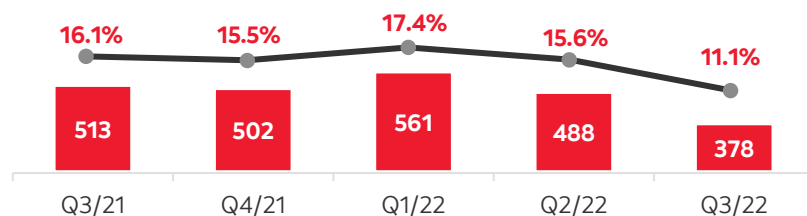
## Business Overview



## Strategic Focus

- Executing a consistent strategy to be a top wholesale Bank in the Americas, that is focused on Geography, Client and Product
- Leverage strong balance sheet to support corporate lending and asset growth across the America's footprint to win increased financing business
- Well positioned to leverage the Bank's unique geographic footprint across the America's to serve it's cross-border clients in Canada, US and LatAm

## Net Income<sup>2</sup> (\$MM) and ROE<sup>4</sup> (%)



## Medium-Term Financial Objectives

|                                  | Target <sup>6</sup> |
|----------------------------------|---------------------|
| Net Income Growth <sup>2,7</sup> | ~5%                 |
| Productivity Ratio <sup>7</sup>  | ~50%                |
| Operating Leverage <sup>7</sup>  | Positive            |

## Financial Results

|  | Q3/22   | Y/Y     | Q/Q     |
|--|---------|---------|---------|
| <b>Reported</b>                            |         |         |         |
| Net Income <sup>2</sup>                    | \$378   | (26%)   | (23%)   |
| Pre-Tax, Pre Provision Profit <sup>3</sup> | \$497   | (21%)   | (18%)   |
| Revenue                                    | \$1,152 | (8%)    | (9%)    |
| Expenses                                   | \$655   | 6%      | -       |
| PCLs                                       | (\$15)  | 44%     | 67%     |
| Productivity Ratio <sup>4</sup>            | 56.8%   | 730 bps | 510 bps |
| PCL Ratio <sup>4,5</sup>                   | (5 bps) | 6 bps   | 11 bps  |
| PCL Ratio Impaired Loans <sup>4,5</sup>    | (6 bps) | (9 bps) | (5 bps) |

<sup>1</sup>T&B Revenue. Note GBM Latam revenue contribution is reported in International Banking results; <sup>2</sup>Attributable to equity holders of the Bank; <sup>3</sup>Pre-Tax, Pre-Provision Profit defined as revenues less expenses; <sup>4</sup>Refer to page 51 of the Management's Discussion & Analysis in the Bank's Third Quarter 2022 Report to Shareholders, available on <http://www.sedar.com>, for an explanation of the composition of the measure. Such explanation is incorporated by reference hereto; <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; <sup>7</sup>Refer to non-GAAP measures on page 4 of the Management's Discussion & Analysis in the Bank's Third Quarter 2022 Report to Shareholders, available on <http://www.sedar.com>.



# 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
- Clients across multiple sectors with focus areas for growth include Consumer / Industrial / Retail (CIR), Technology, and Healthcare

| US <sup>1</sup> |                         | Latam <sup>1</sup> |
|-----------------|-------------------------|--------------------|
| \$478 million   | <b>Revenue</b>          | \$411 million      |
| \$51 billion    | <b>Average Loans</b>    | \$53 billion       |
| \$95 billion    | <b>Average Deposits</b> | \$23 billion       |
| \$146 million   | <b>Total NIAT</b>       | \$192 million      |
| 52.9%           | <b>Productivity</b>     | 28.3%              |
| 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



acquisition of

**WOM**

Chilean Tower Portfolio

**US\$930,000,000**

**Exclusive Financial Advisor;  
Sole Lead Arranger &  
Bookrunner**

July 2022



**\$800,000,000**

Senior Credit Facilities

**Bookrunner, Admin.  
Agent**

July 2022



divestiture of OMLs 86 & 88 in  
Nigeria to:



**Financial Advisor**

May 2022



**US\$55,800,000**

Green Loan & VAT Facility

**Sole Lender, Green Loan  
Coordinator, Sole Hedge  
Provider & Collateral Agent**

July 2022



**\$3,000,000,000**

Senior Notes

**Joint Bookrunner**

June 2022



**\$1,500,000,000**

Senior Notes

**Joint Bookrunner**

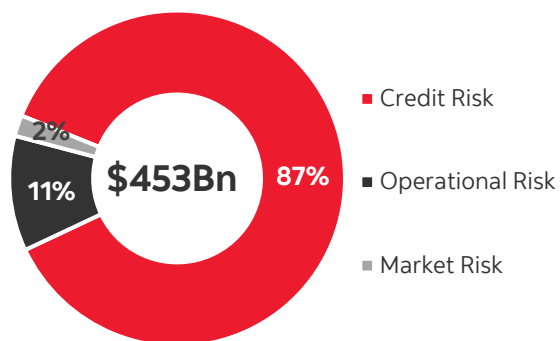
May 2022

<sup>1</sup> Figures for fiscal Q3/22

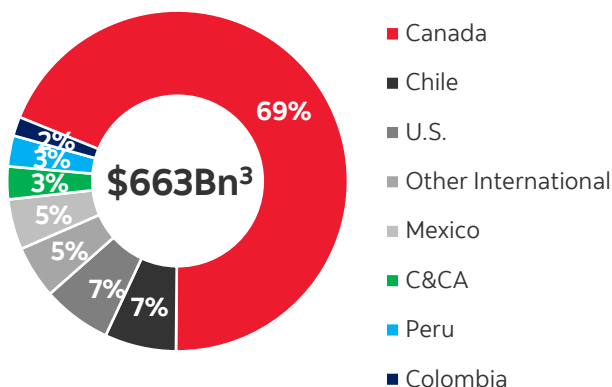
# Risk Overview

# Risk Snapshot

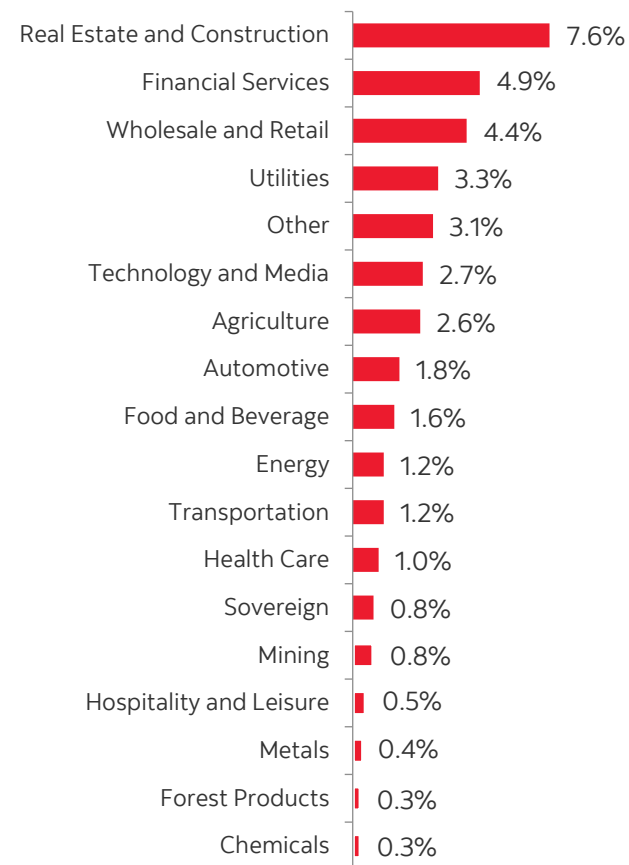
## RWA Breakdown<sup>1</sup>



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

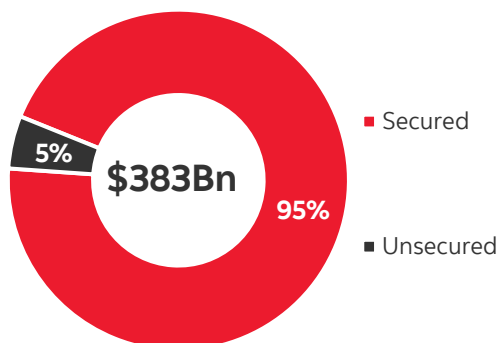


## Credit Exposure by Sector<sup>1,2</sup>

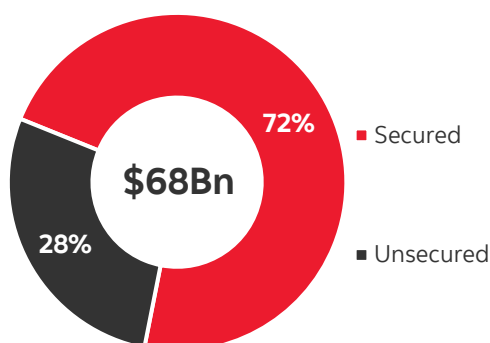


## Personal & Commercial Lending

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



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



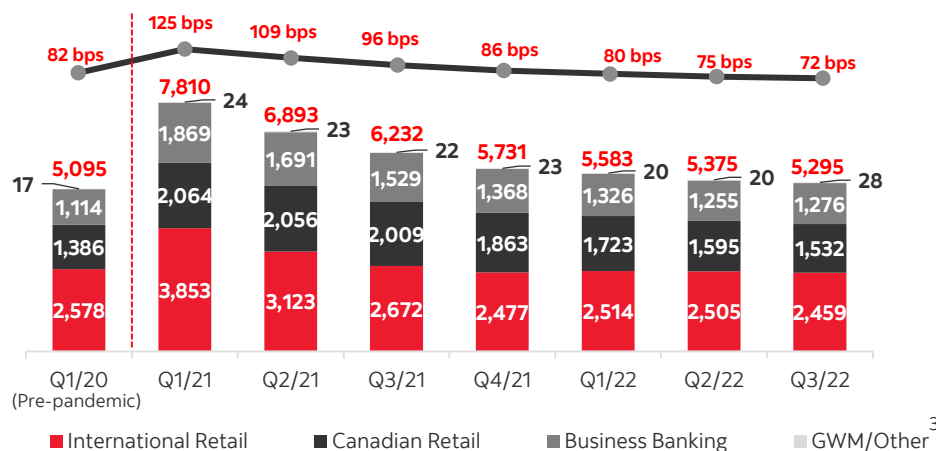
<sup>1</sup> As at July 31, 2022

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

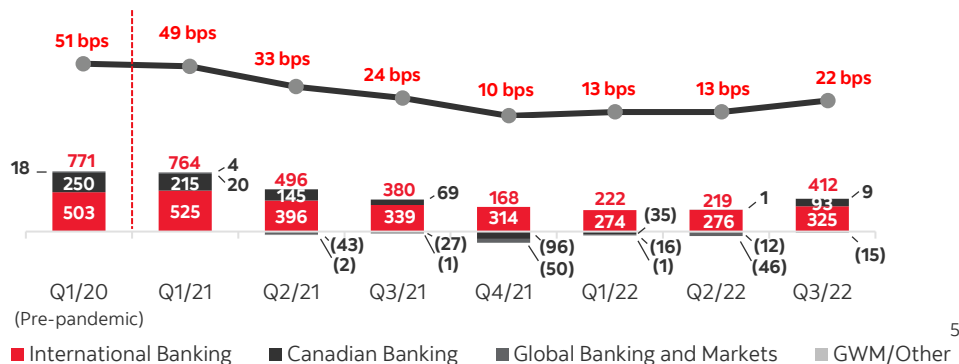
<sup>3</sup> As at October 31, 2021

# Credit Performance

## TOTAL ACLs<sup>1</sup> (\$MM) AND ACL RATIO<sup>2</sup>



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



## HIGHLIGHTS

- Strong balance sheet with total ACLs of \$5.3 billion
- Total ACL ratio of 72 bps
  - Secured retail portfolio (Canada – 95%; International – 72%)
  - High investment grade corporate and commercial loan book
  - Performing ACL ratio higher than pre-pandemic levels across secured and unsecured retail portfolios
  - Ratio trends reflect positive shift in retail business mix and improving quality of commercial portfolios

## HIGHLIGHTS

- Total PCL ratio of 22 bps, up 9 bps Q/Q
  - Higher performing PCLs for less favourable macroeconomic forecast
  - Performing build in International Banking, and lower performing releases in Canadian Banking compared to prior quarter
  - Impaired PCLs declined 4% Q/Q

<sup>1</sup> Includes ACLs on off-balance sheet exposures and ACLs on acceptances and other financial assets

<sup>2</sup> ACL ratio defined as period end total ACLs (excluding debt securities and deposits with financial institutions) divided by gross loans and acceptances

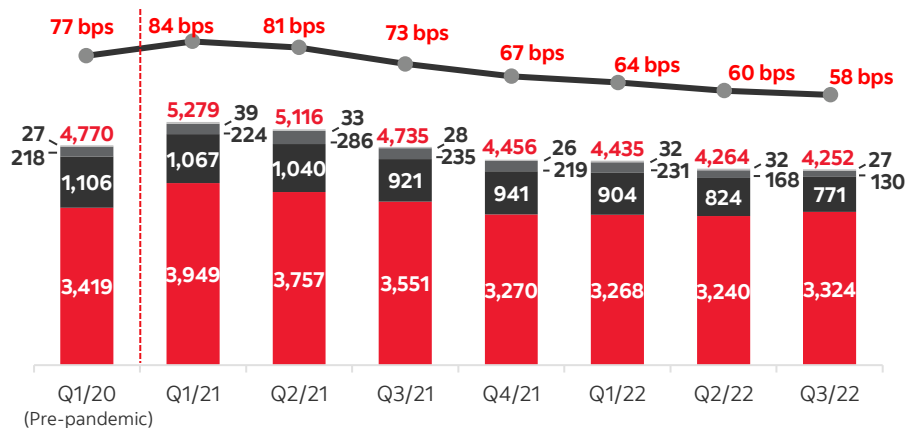
<sup>3</sup> Includes Allowance for credit losses in Other of \$5 million

<sup>4</sup> Refer to page 51 of the Management's Discussion & Analysis in the Bank's Third Quarter 2022 Report to Shareholders, available on <http://www.sedar.com>, for an explanation of the composition of the measure. Such explanation is incorporated by reference hereto

<sup>5</sup> Includes provisions for credit losses in Global Wealth Management of \$5 million (Q1/21: \$4 million, Q2/21: -\$2 million, Q3/21: -\$1 million, Q4/21: \$1 million, Q1/22: -\$1 million, Q2/22: \$1 million)

# Credit Quality

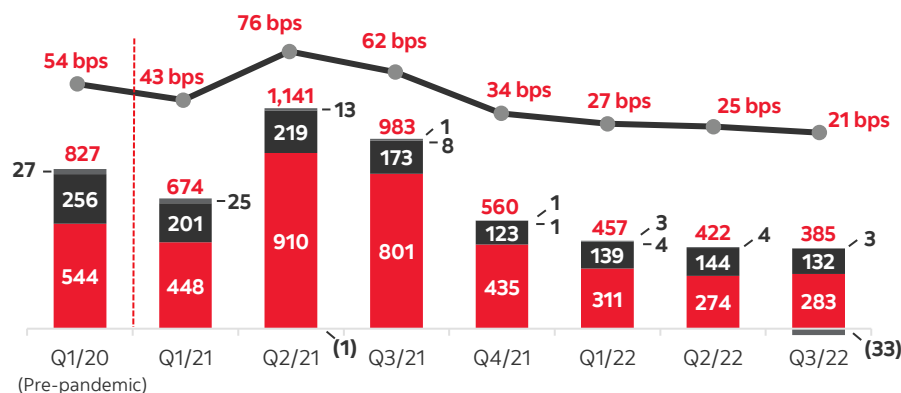
## GILs (\$MM) AND GIL RATIO<sup>1</sup>



## HIGHLIGHTS

- GIL ratio continued to improve due to recoveries in Canadian Banking and Global Banking and Markets

## NET WRITE-OFFS (\$MM) AND NET WRITE-OFFS RATIO<sup>1</sup>



## HIGHLIGHTS

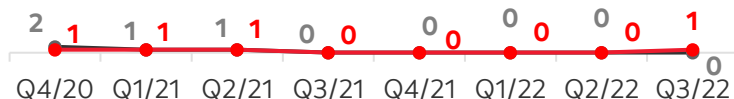
- Net write-offs ratio declined 4 bps Q/Q and remained at historic lows, driven by low impairments in retail banking and recoveries in business banking
- Net write-offs declined 61% Y/Y and 9% Q/Q

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

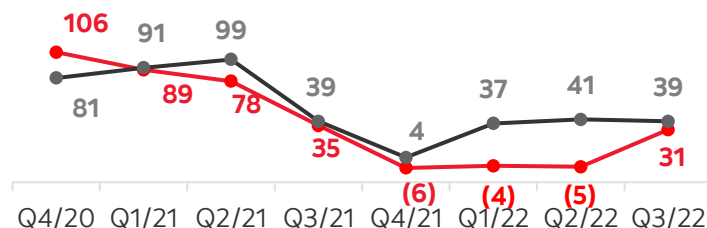
<sup>1</sup> Refer to page 51 of the Management's Discussion & Analysis in the Bank's Third Quarter 2022 Report to Shareholders, available on <http://www.sedar.com>, for an explanation of the composition of the measure. Such explanation is incorporated by reference hereto

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

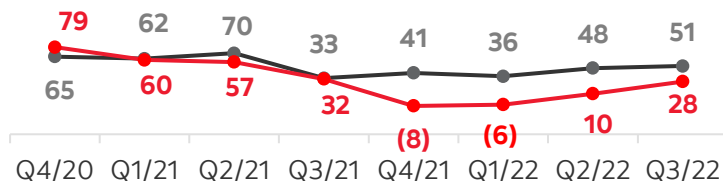
## MORTGAGES



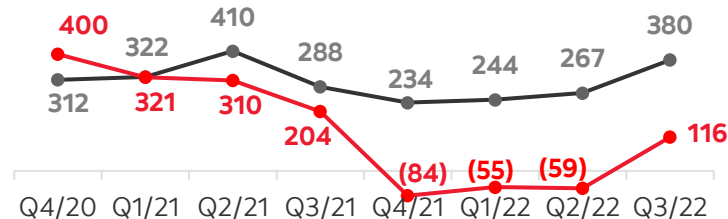
## AUTO LOANS



## Lines of Credit<sup>3</sup>



## CREDIT CARDS<sup>6</sup>



● PCL as a % of avg. net loans (bps)<sup>2</sup>

● PCLs on Impaired Loans as a % of avg. net loans (bps)<sup>2</sup>

| Loan Balances Q3/22 | Mortgages | Auto Loans | Lines of Credit <sup>3</sup> | Credit Cards | Total              |
|---------------------|-----------|------------|------------------------------|--------------|--------------------|
| Spot (\$Bn)         | \$301     | \$40       | \$34                         | \$7          | \$383 <sup>4</sup> |
| % Secured           | 100%      | 100%       | 65%                          | 2%           | 95% <sup>5</sup>   |

<sup>1</sup> Includes Wealth Management

<sup>2</sup> Refer to page 51 of the Management's Discussion & Analysis in the Bank's Third Quarter 2022 Report to Shareholders, available on <http://www.sedar.com>, for an explanation of the composition of the measure. Such explanation is incorporated by reference hereto

<sup>3</sup> Includes Home Equity Lines of Credit and Unsecured Lines of Credit

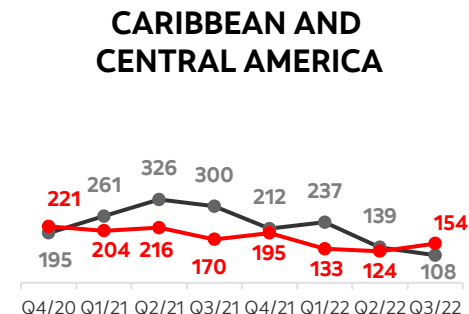
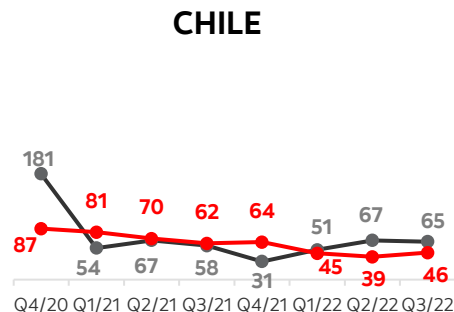
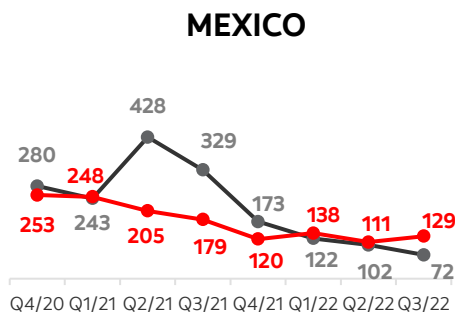
<sup>4</sup> Includes Tangerine balances of \$11 billion and other smaller portfolios

<sup>5</sup> 84% secured by real estate; 11% secured by automotive

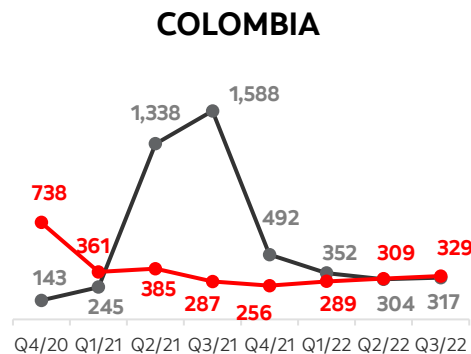
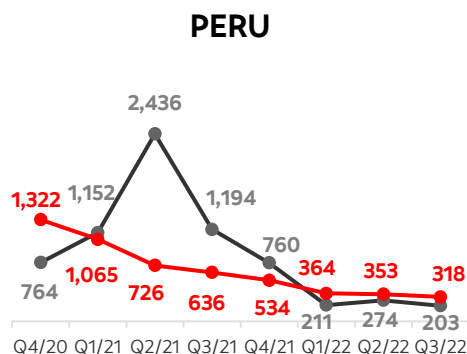
<sup>6</sup> Excluding one-time impact of fully provisioned write-offs, Q3/22 PCL ratio on impaired loans is 280bps

# International Retail: Loans and Provisions

Markets with Greater Weighting to Secured



Markets with Greater Weighting to Unsecured



● PCL as a % of avg. net loans (bps)<sup>1</sup>

● PCLs on Impaired Loans as a % of avg. net loans (bps)<sup>1</sup>

| Loan Balances Q3/22 | Mexico | Peru | Chile | Colombia | Caribbean & CA | Total <sup>2</sup> |
|---------------------|--------|------|-------|----------|----------------|--------------------|
| Spot (\$Bn)         | \$15   | \$9  | \$26  | \$6      | \$12           | \$68               |
| % Secured           | 88%    | 42%  | 80%   | 36%      | 76%            | 72%                |

<sup>1</sup> Refer to page 51 of the Management's Discussion & Analysis in the Bank's Third Quarter 2022 Report to Shareholders, available on <http://www.sedar.com>, for an explanation of the composition of the measure. Such explanation is incorporated by reference hereto

<sup>2</sup> Total includes other smaller portfolios

# Treasury and Funding



# Highlights

## Strong liquidity, stable funding

- **Strong liquidity well in excess of regulatory requirements**
  - LCR<sup>1</sup> of 122%, down 3% Q/Q and 1% Y/Y
  - HQLA of \$211B, down \$3B Q/Q and up \$16B Y/Y, is substantially comprised of Level 1 assets
  - Pacific Alliance countries LCRs of 125% - 191%
- **Stability of funding reflected in NSFR<sup>2</sup> of 109%**
- **28.4% TLAC<sup>3</sup> is above 24% regulatory minimum**
- **Stable wholesale funding utilization**
  - Wholesale funding of \$275B, down \$8B Q/Q (driven by lower money market funding) and up \$68B Y/Y
  - Wholesale funding / total assets decreased 67 bps Q/Q to 21.2%, from 21.9%
  - Wholesale funding usage reflects strong asset growth, partially offset by deposit growth

<sup>1</sup> This measure has been disclosed in this document in accordance with OSFI Guideline - Public Disclosure Requirements for Domestic Systemically Important Banks on Liquidity Coverage Ratio (April 2015)

<sup>2</sup> This measure has been disclosed in this document in accordance with OSFI Guideline - Public Disclosure Requirements for Domestic Systemically Important Banks on Net Stable Funding Ratio Disclosure Requirements (January 2021).

<sup>3</sup> This measure has been disclosed in this document in accordance with OSFI Guideline - Public Disclosure Requirements for Domestic Systemically Important Banks on Total Loss Absorbing Capacity (TLAC) (September 2018).

# Funding Strategy

## Diversified funding sources

- Increase contribution from customer deposits
- Manage prudent level of wholesale funding utilization and TLAC<sup>2</sup>
- 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

<sup>2</sup> This measure has been disclosed in this document in accordance with OSFI Guideline - Public Disclosure Requirements for Domestic Systemically Important Banks on Total Loss Absorbing Capacity (TLAC) Requirements (September 2018).

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



### US Debt & Equity Shelf

(senior / subordinated debt, preferred and common shares)  
Limit – USD 50 billion



### Global Registered Covered Bond Program

(uninsured Canadian mortgages)  
Limit – CAD 100 billion



### EMTN Shelf

Limit – USD 30 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 15 billion



### Trillium ABS shelf (credit cards)

Limit – CAD 5 billion

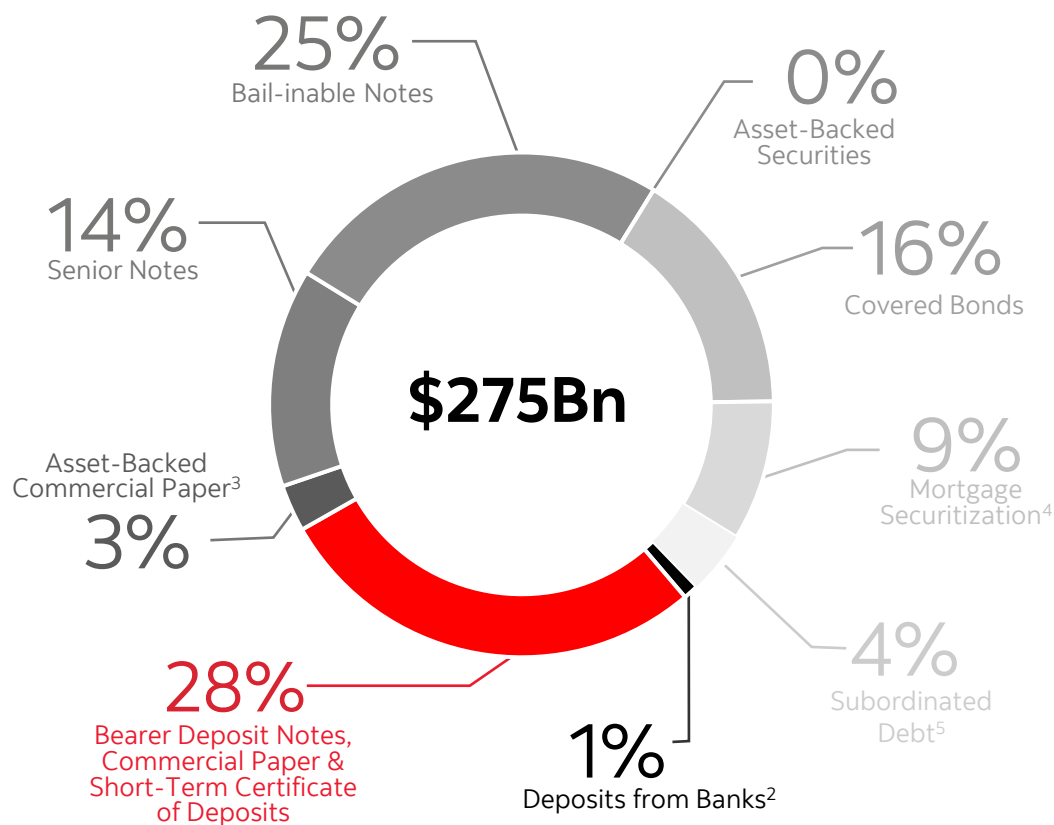


### USD Bank CP Program

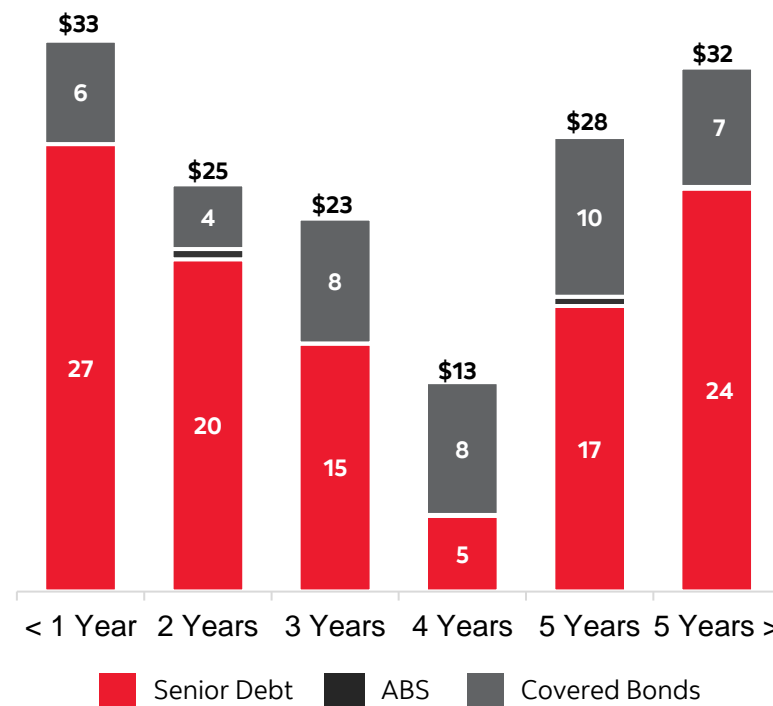
Limit – USD 35 billion

# 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.

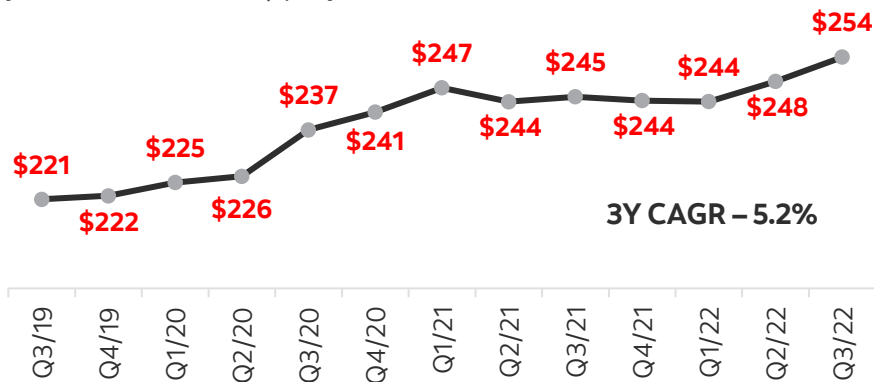
<sup>6</sup> As per Wholesale Funding Sources Table in MD&A, Q3/22 Report to Shareholders.

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

# Deposit Overview

Continued growth both personal and non-personal deposits

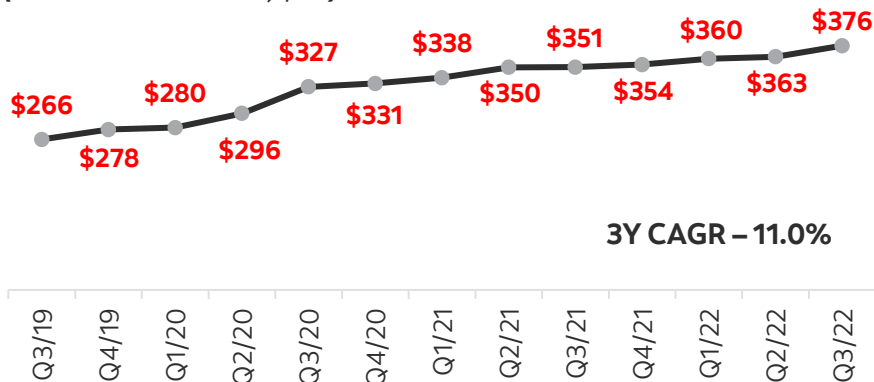
## PERSONAL DEPOSITS<sup>1</sup> (AVERAGE BALANCES, \$Bn)



## PERSONAL DEPOSITS

- Important for both relationship purposes and regulatory value
- Initiatives are in place to drive deposit growth and retention
- Strong Q/Q growth in Canadian Banking deposits

## NON-PERSONAL DEPOSITS<sup>1</sup> (AVERAGE BALANCES, \$Bn)



## NON-PERSONAL DEPOSITS

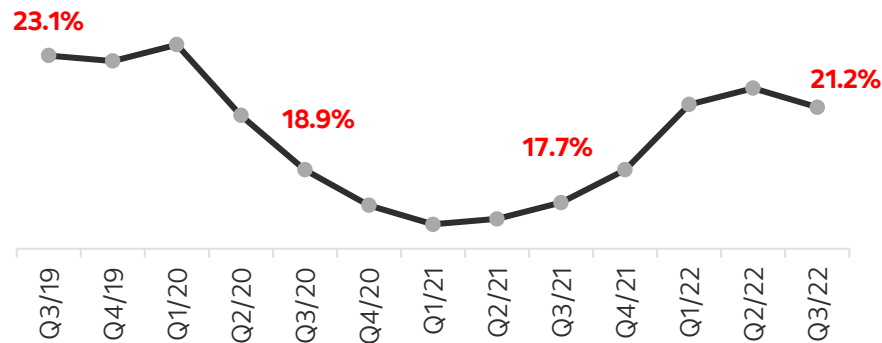
- Leveraging relationships to grow deposits with favourable regulatory value
- Strong Q/Q growth in Canadian Banking and Global Banking and Markets deposits

<sup>1</sup>Calculated as the sum of the average balances of the four business-line personal and non-personal deposits.

# Wholesale Funding Utilization

Maintaining appropriate reliance on wholesale funding

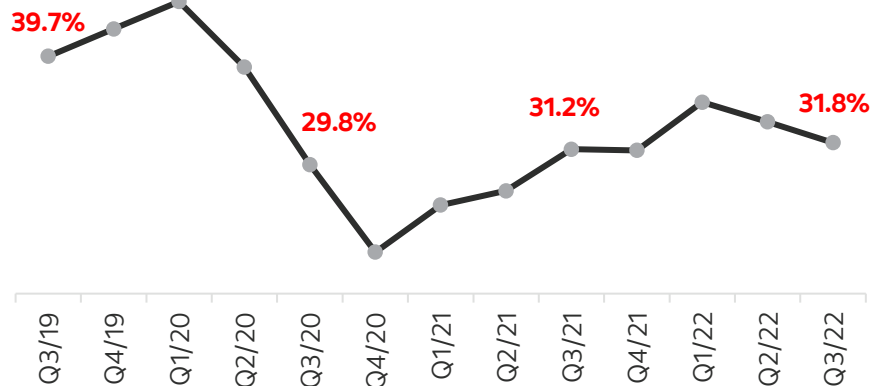
## WHOLESALE FUNDING / TOTAL ASSETS



## ▶ WHOLESALE FUNDING UTILIZATION WELL MANAGED

- Wholesale funding usage returning to pre-pandemic levels driven by asset growth, partially offset by deposit growth and retention

## MONEY MARKET WHOLESALE FUNDING / TOTAL WHOLESALE FUNDING



## ▶ SUITABLE CONCENTRATION OF MONEY MARKET FUNDING

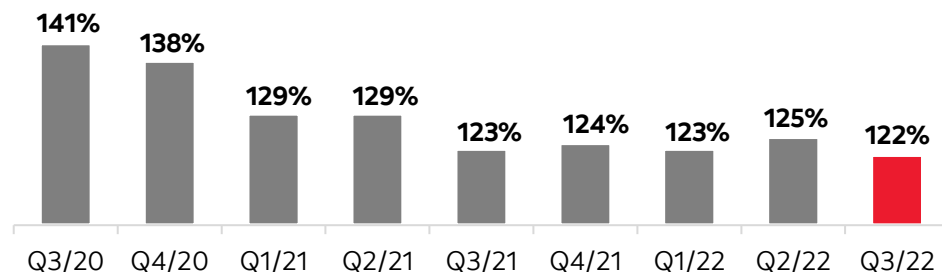
- Prudent utilization of short-term funding

# Key Metrics

Well-funded with strong liquidity and stable funding

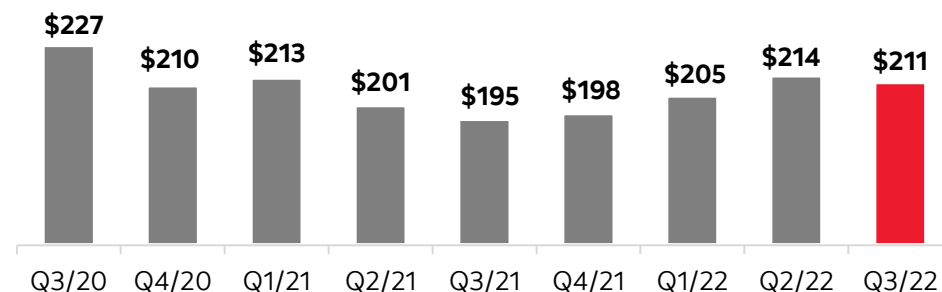
- **Liquidity Coverage Ratio (LCR)<sup>1</sup>**

- Liquidity well in excess of regulatory requirements
- LCR of 125-191% in Pacific Alliance countries



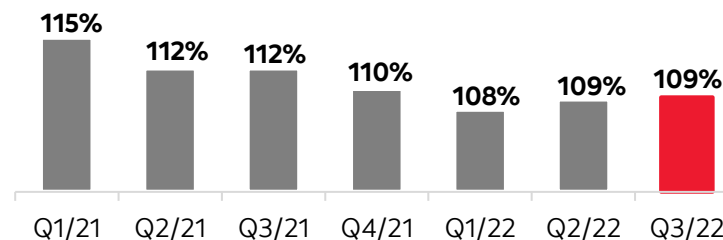
- **High Quality Liquid Assets (HQLA)**

- Substantially comprised of Level 1 assets
- -\$3B Q/Q and +\$16B Y/Y



- **Net Stable Funding Ratio (NSFR)<sup>2</sup>**

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



<sup>1</sup> This measure has been disclosed in this document in accordance with OSFI Guideline - Public Disclosure Requirements for Domestic Systemically Important Banks on Liquidity Coverage Ratio (April 2015)

<sup>2</sup> This measure has been disclosed in this document in accordance with OSFI Guideline - Public Disclosure Requirements for Domestic Systemically Important Banks on Net Stable Funding Ratio Disclosure Requirements (January 2021).

# Appendix 1

## **Core Markets: Economic Profiles**

# Economic Outlook in Core Markets

## Real GDP Growth Forecast (2022–23)

| Real GDP (Annual % Change)   |                    |              |             |                         |            |            |            |            |            |
|--|--------------------|--------------|-------------|-------------------------|------------|------------|------------|------------|------------|
| Country  | 2010–19<br>Average | 2020         | 2021        | Forecast <sup>1,2</sup> |            |            |            |            |            |
|  |                    |              |             | 2022                    |            |            |            |            | 2023       |
|  |                    |              |             | Q1                      | Q2         | Q3F        | Q4F        | Year       | Year       |
|  Canada     | 2.3                | (5.2)        | 4.5         | 2.9                     | 4.7        | 3.8        | 2.6        | 3.5        | 1.6        |
|  U.S.       | 2.3                | (3.4)        | 5.7         | 3.5                     | 1.6        | 1.8        | 0.4        | 1.9        | 1.4        |
|  Mexico     | 2.7                | (8.1)        | 4.8         | 1.8                     | 2.1        | 1.6        | 2.1        | 1.7        | 1.5        |
|  Chile      | 3.3                | (6.0)        | 11.7        | 7.4                     | 5.4        | (0.3)      | (2.9)      | 2.1        | (0.9)      |
|  Peru       | 4.5                | (11.0)       | 13.4        | 3.8                     | 3.3        | 1.7        | 2.7        | 2.6        | 2.4        |
|  Colombia | 3.7                | (7.0)        | 10.7        | 8.6                     | 12.6       | 4.3        | 2.1        | 6.6        | 2.9        |
| <b>PAC Average<sup>3</sup></b>   | <b>3.6</b>         | <b>(8.0)</b> | <b>10.2</b> | <b>5.4</b>              | <b>5.9</b> | <b>1.8</b> | <b>1.0</b> | <b>3.3</b> | <b>1.5</b> |

Source: Scotiabank Economics

<sup>1</sup> Forecasts for Canada and U.S. as of the July 18, 2022 Scotiabank Economics *Global Forecast Tables*

<sup>2</sup> Forecasts for PAC countries as of the July 29, 2022 Scotiabank Economics *Latam Weekly*

<sup>3</sup> Simple average



# Interest Rate Sensitivity

## NET INTEREST INCOME SENSITIVITY

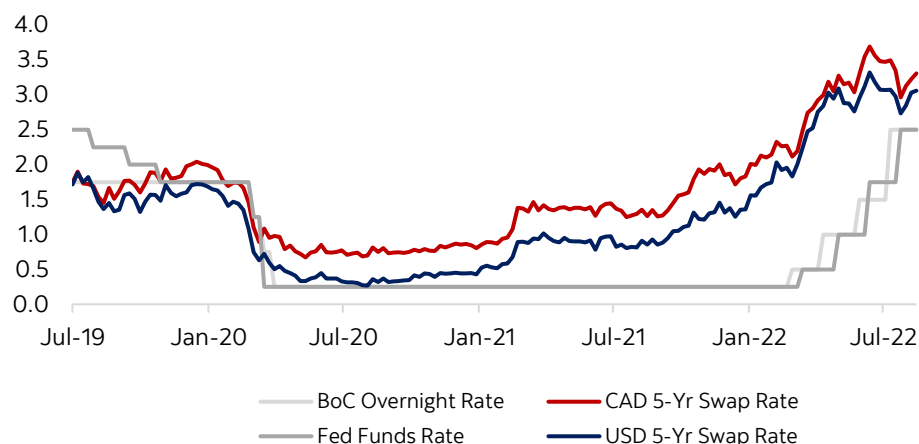
- An immediate and sustained +100 bps or -100 bps parallel shift would have an impact on annual net interest income of -\$267 million or +\$231 million for year 1, respectively
- Above estimates assume a static balance sheet and no management actions<sup>1</sup>

## POLICY RATE CHANGE AND OUTLOOK

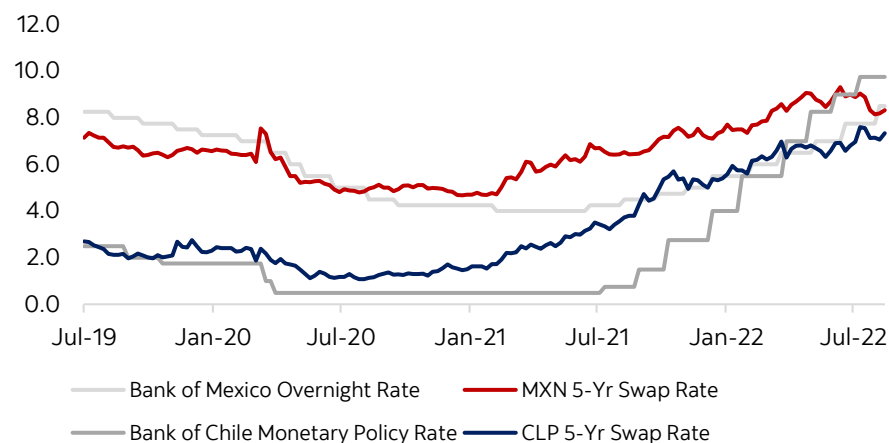
| Country  | Change During BNS Fiscal Quarters (bps) |       |       |                        | Current Policy Rate | Expected Increase (bps) from Current Policy Rate to Dec 31/22 <sup>3</sup> | BNS Forecast Policy Rate at Dec 31/22 <sup>3</sup> |
|----------|---|-------|-------|------------------------|---------------------|--|--|
|          | Q1/22                                   | Q2/22 | Q3/22 | QTD Q4/22 <sup>2</sup> |                     |  |  |
| Canada   | -                                       | +75   | +150  | -                      | 2.50%               | +100   | 3.50%  |
| US       | -                                       | +25   | +200  | -                      | 2.50%               | +75  | 3.25%  |
| Mexico   | +75                                     | +100  | +125  | +75                    | 8.50%               | +150   | 10.00%   |
| Colombia | +150                                    | +200  | +300  | -                      | 9.00%               | +50  | 9.50%  |
| Peru     | +150                                    | +150  | +150  | +50                    | 6.50%               | -  | 6.50%  |
| Chile    | +275                                    | +150  | +275  | -                      | 9.75%               | +125   | 11.00%   |

## EVOLUTION OF INTEREST RATES<sup>2</sup>

Canada & U.S. (%)<sup>2</sup>



Mexico & Chile (%)



<sup>1</sup> Additional detail regarding non-trading interest rate sensitivity can be found on page 36 of the Management's Discussion & Analysis in the Bank's Third Quarter 2022 Report to Shareholders, available on <http://www.sedar.com>

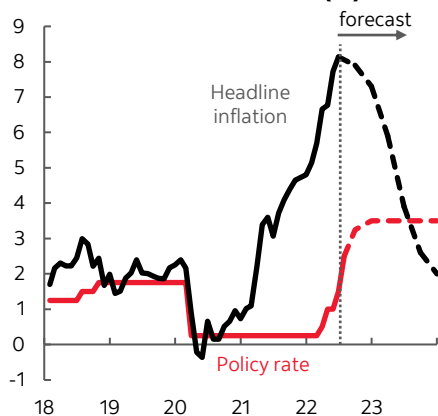
<sup>2</sup> As of Aug 18, 2022

<sup>3</sup> Source: Scotia Economics. US and Canada as at July 18, 2022 forecast, Pacific Alliance countries as at July 29, 2022 forecast

# Slowing Growth, Rising Inflation

- Global economic activity is weakening as a result of COVID policies in China, still high energy prices, expectations of higher interest rates and the associated rise in the risk of recession in key economies
- Inflation remains a problem almost everywhere in the world. In Canada, we anticipate inflation will average 7.1% this year, with monthly inflation likely peaking in July. Inflation is then expected to “slow” to a still above target 3.6% in 2023. In the US, we anticipate inflation will average 8% this year and 4.3% in 2023. Similarly, continued price pressures support forecast of high and persistent inflation in Mexico, Chile, Colombia and Peru
- A broad range of supply chain indicators and input prices suggest inflation will cool in coming months. Yet, despite that and a marked downward revision to the growth outlook, incoming inflation has been hotter than anticipated and the extreme tightness of the labour market suggest that wage pressures will add to inflation this year and next
- Given the more persistent strength of inflation, we now forecast that the Bank of Canada will raise its policy rate to 3.5% later this year and keep it there through 2023. We forecast the Federal Reserve to hike to 3.25% by end of this year and stay there through 2023. Central banks in Mexico, Chile, Colombia and Peru are all expected to continue their aggressive rate hiking to tame inflation. Their job is made harder by higher US interest rates, which have fueled depreciations of domestic currencies and led to rising concerns of exchange rate pass-through price pressures

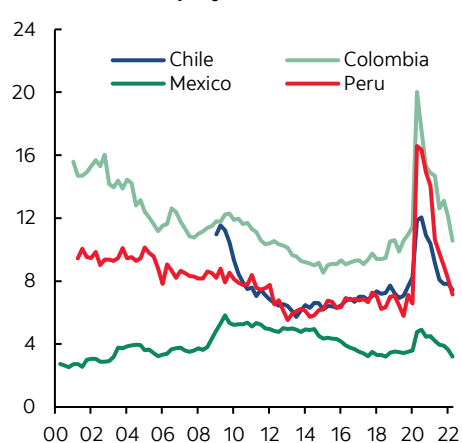
**Canada: Bank of Canada Policy Rate vs Headline Inflation (%)<sup>1</sup>**



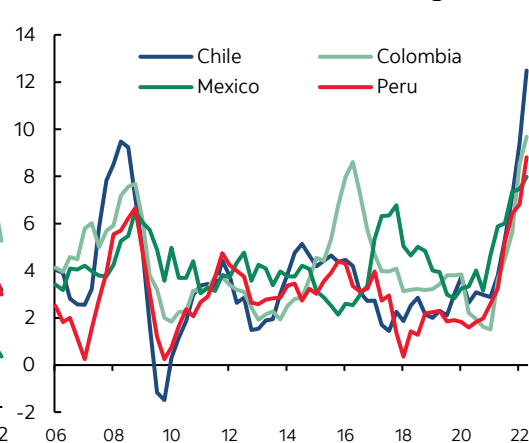
**Canada Unemployment Rate (%)<sup>2</sup>**



**LatAm Unemployment Rates (% SA)<sup>3</sup>**



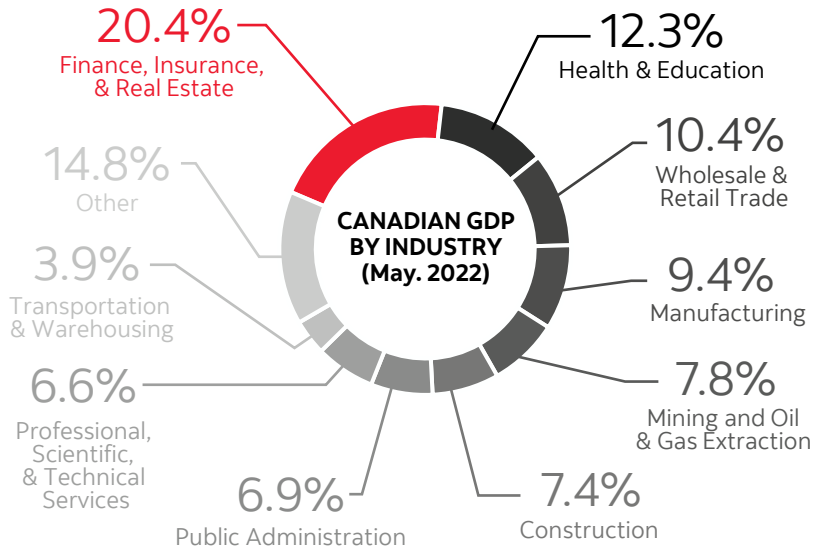
**LatAm PAC Inflation (Y/Y % change)<sup>4</sup>**



<sup>1</sup>Sources: Scotiabank Economics, BanRep, DANE; <sup>2</sup>Sources: Scotiabank Economics, Statistics Canada; <sup>3</sup>Sources: Scotiabank Economics, Haver Analytics; <sup>4</sup>Sources: Scotiabank Economics, Haver Analytics.

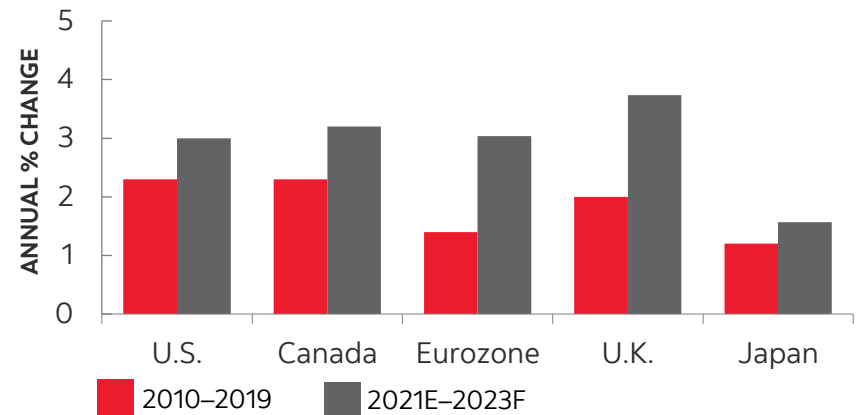
# Canadian Economy

Diverse sources of growth with a strong balance sheet



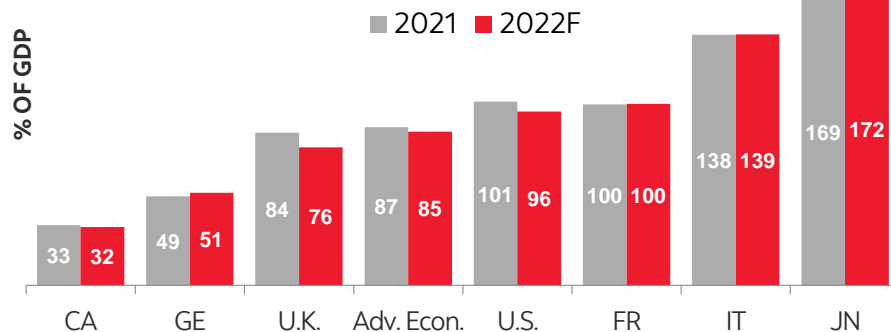
|                  |             |                   |             |                   |             |
|------------------|-------------|-------------------|-------------|-------------------|-------------|
| <b>GDP 2021:</b> | <b>4.5%</b> | <b>GDP 2022F:</b> | <b>3.5%</b> | <b>GDP 2023F:</b> | <b>1.6%</b> |
|------------------|-------------|-------------------|-------------|-------------------|-------------|

## Real GDP Growth



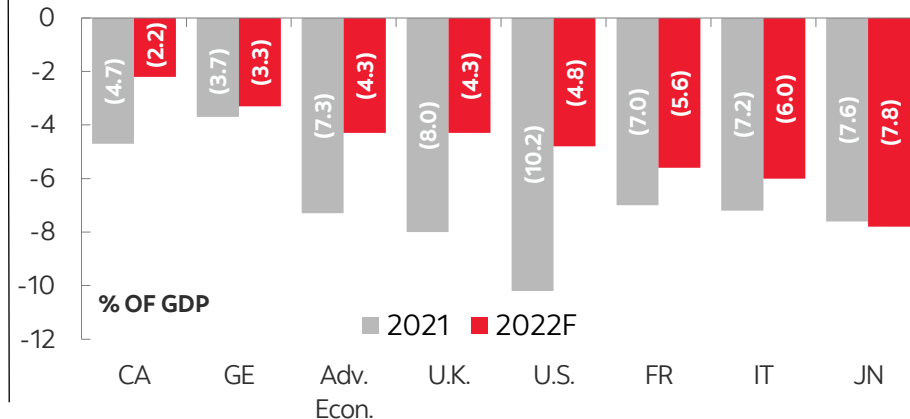
Sources: Scotiabank Economics, Haver Analytics, Statistics Canada. Forecasts as of Jul, 18, 2022.

## General Government Net Debt



Sources: IMF Apr 2022 Fiscal Monitor. Calendar years shown.

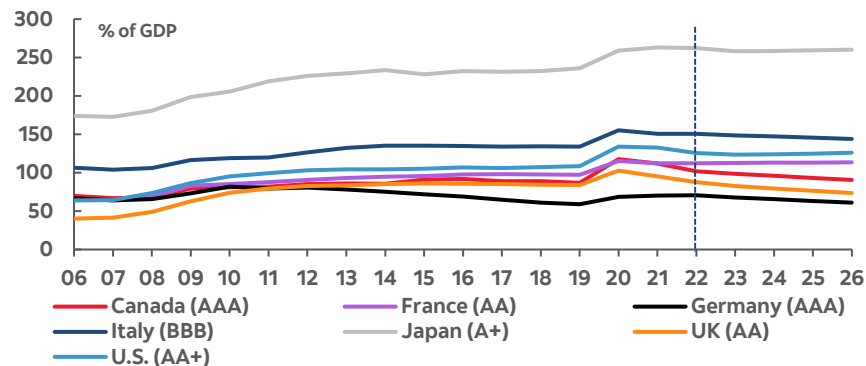
## Government Financial Deficits



Scotiabank Economics, IMF Apr. 2022 Fiscal Monitor, CBO. Calendar years shown.

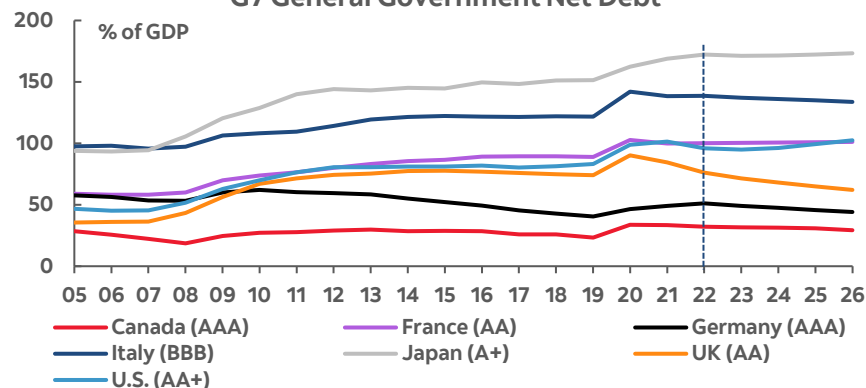
# Public Debt Ratios in G7 Markets

## G7 General Government Gross Debt



Sources: Scotiabank Economics, IMF, Standard & Poor's.

## G7 General Government Net Debt



Sources: Scotiabank Economics, IMF, Standard & Poor's.

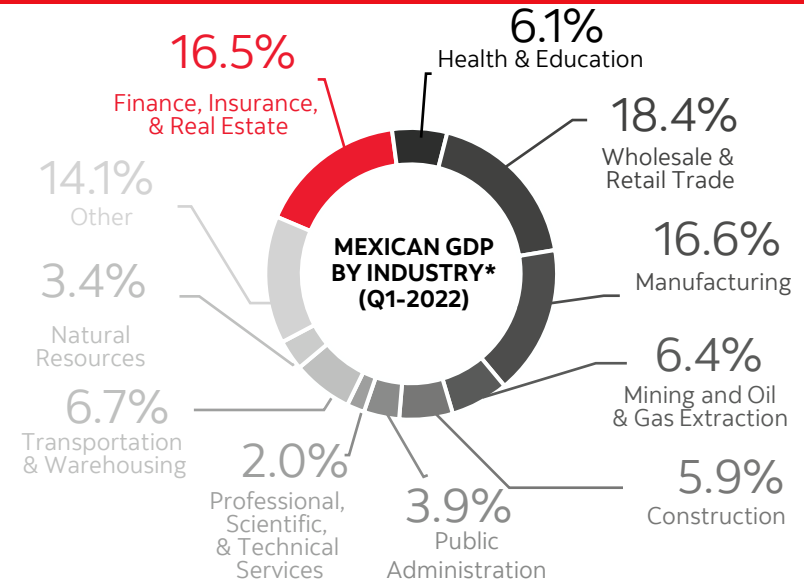
# Mexican Economy

## Solid mix of sectors

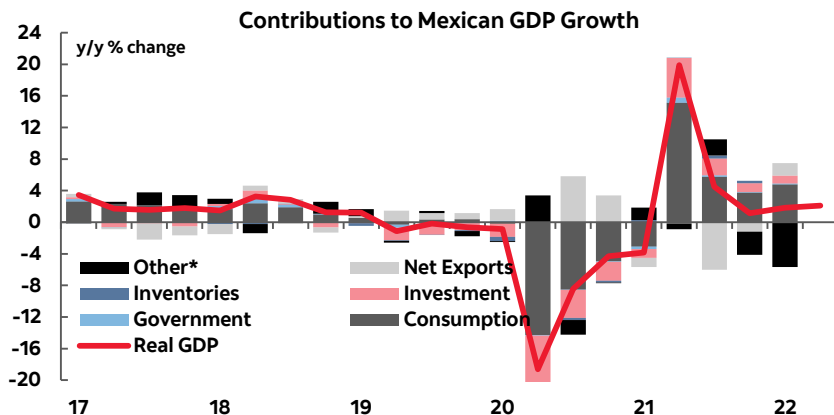
- Services and consumption are increasingly contributing to the domestic economy's recovery
- Trade with the U.S. is leading growth, but Mexico's diversification agenda is also underpinned by 13 free-trade agreements with 50 countries that account for 43% of global GDP and include all G7 countries
- The authorities' fiscal and debt indicators remain reasonable; efforts to boost tax collection could continue to be implemented

|                  |             |                   |             |                   |             |
|------------------|-------------|-------------------|-------------|-------------------|-------------|
| <b>GDP 2021:</b> | <b>4.8%</b> | <b>GDP 2022F:</b> | <b>1.7%</b> | <b>GDP 2023F:</b> | <b>1.5%</b> |
|------------------|-------------|-------------------|-------------|-------------------|-------------|

Sources: Scotiabank Economics, Bloomberg, as of July 29, 2022.

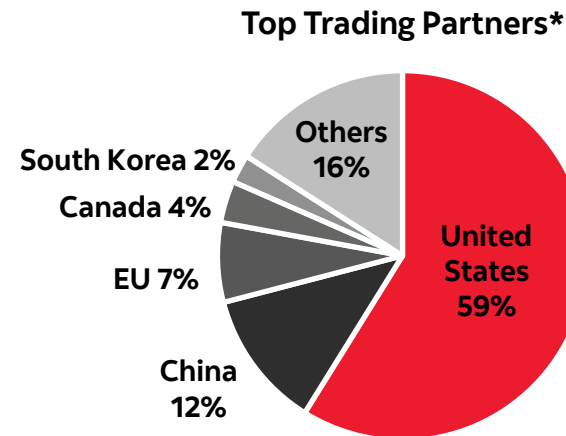


\* Q2-2022 real GDP growth 2.1 y/y. Industry GDP breakdown not yet available for Q2-2022.



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

\* Q2-2022 real GDP growth 12.1y/y. National accounts breakdown not yet available for Q2-2022.



\* Trade data updated as of Q1-2022.

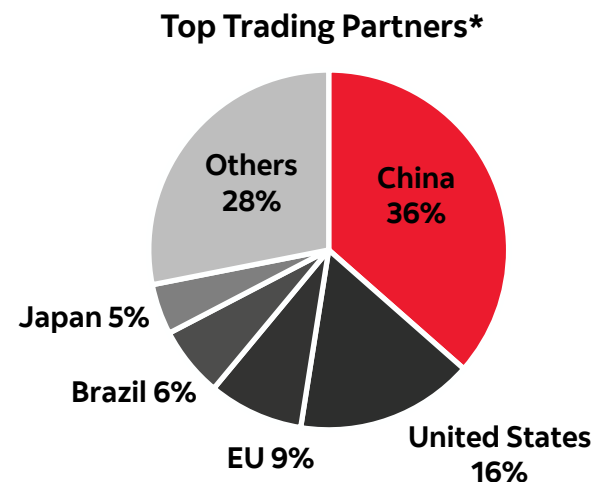
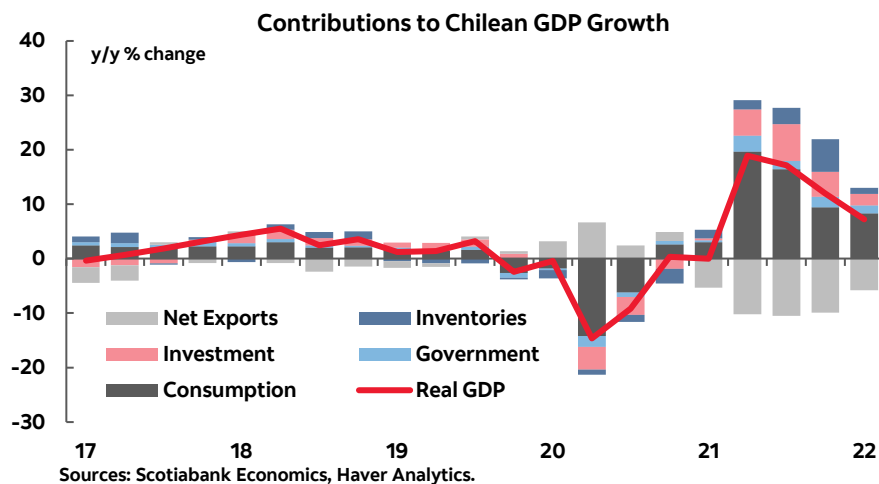
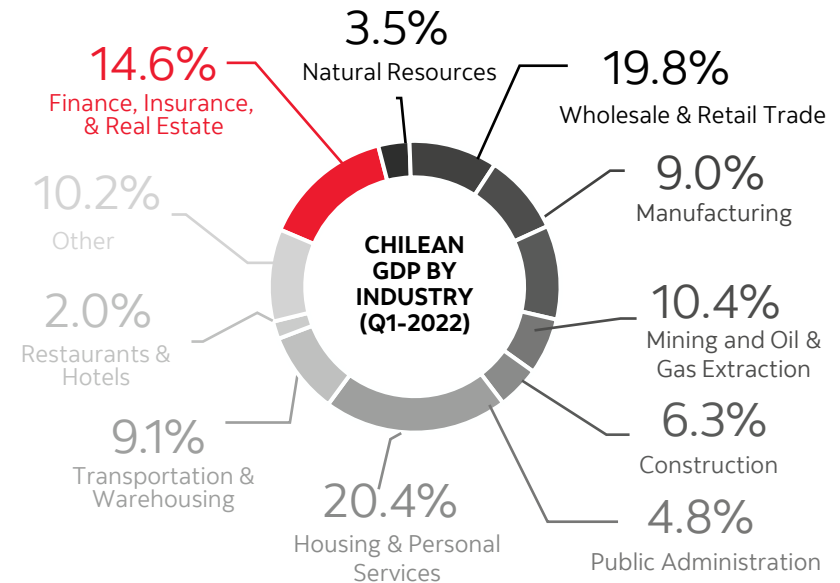
# Chilean Economy

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 30 free-trade agreements with 70 countries that account for 88% of global GDP
- Public support for households and businesses has powered a strong rebound in consumption

|                  |              |                   |             |                   |              |
|------------------|--------------|-------------------|-------------|-------------------|--------------|
| <b>GDP 2021:</b> | <b>11.7%</b> | <b>GDP 2022F:</b> | <b>2.1%</b> | <b>GDP 2023F:</b> | <b>-0.9%</b> |
|------------------|--------------|-------------------|-------------|-------------------|--------------|

Sources: Scotiabank Economics, Bloomberg, as of July 29, 2022.



\* Trade data updated as of Q1-2022.

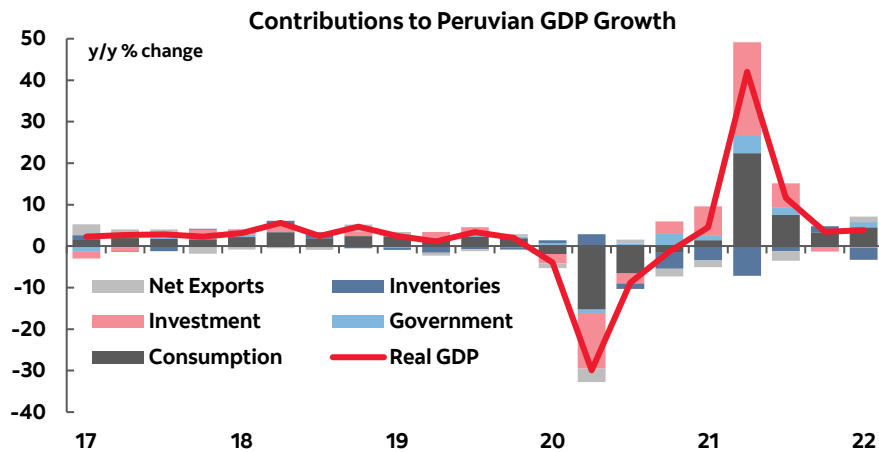
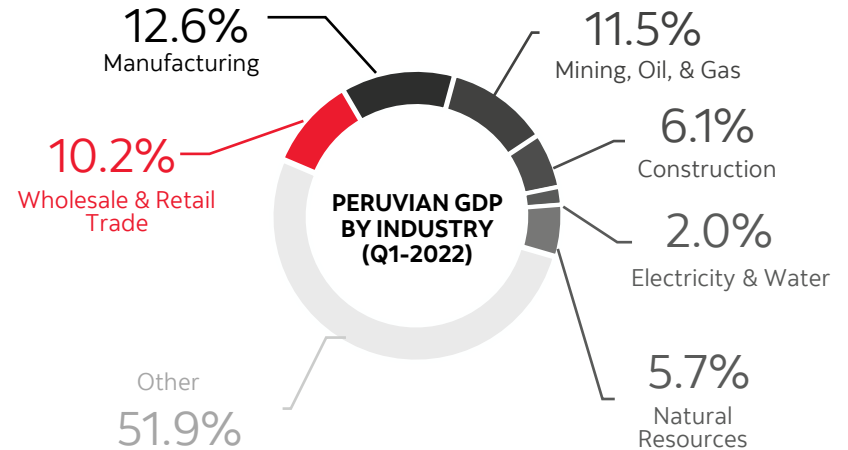
# Peruvian Economy

## Resilient economic fundamentals

- Peru's important resource sectors are increasingly balanced by stronger service-sector activity and solid economic fundamentals
- Peru has 18 free-trade agreements with 52 countries that account for 66% of global GDP
- Government spending, transfer programs, and pension withdrawals helped to bolster a rebound into 2022

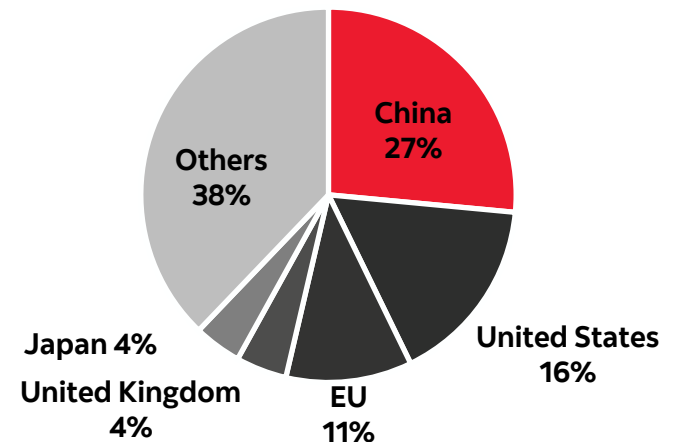
|                  |              |                   |             |                   |             |
|------------------|--------------|-------------------|-------------|-------------------|-------------|
| <b>GDP 2021:</b> | <b>13.4%</b> | <b>GDP 2022F:</b> | <b>2.6%</b> | <b>GDP 2023F:</b> | <b>2.4%</b> |
|------------------|--------------|-------------------|-------------|-------------------|-------------|

Sources: Scotiabank Economics, Bloomberg, as of July 29, 2022.



Sources: Scotiabank Economics, Haver Analytics.

### Top Trading Partners\*



\* Trade data updated as of Q1-2022.

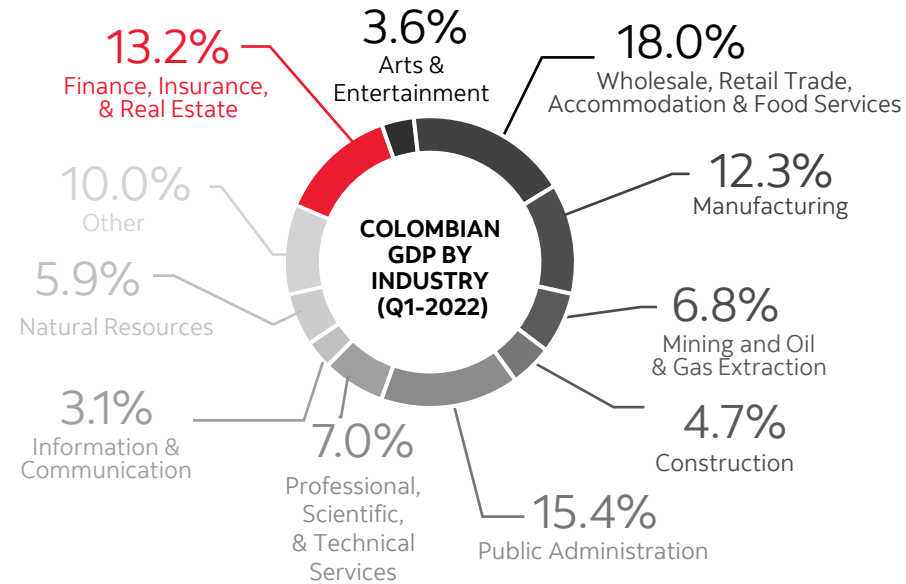
# Colombian Economy

## Strong underlying momentum

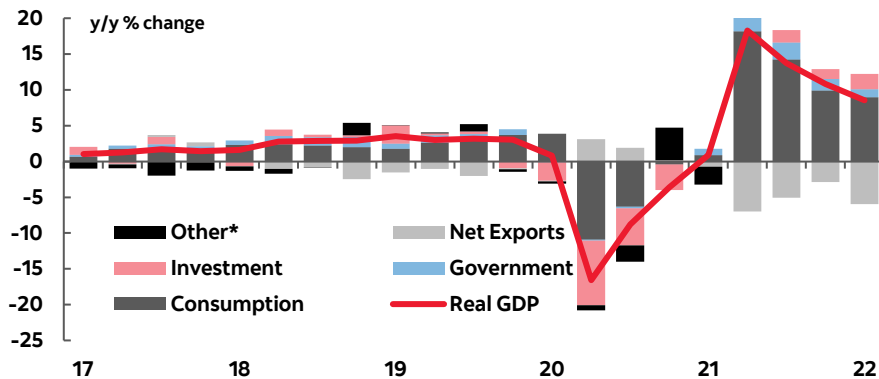
- Growth prospects have solidified as the re-opening has progressed
- Colombia continues to build on its 17 free-trade agreements with 65 countries that account for 41.7% of global GDP
- Services and consumption, reflecting an expanding middle class, account for rising shares of Colombian GDP compared with traditional strengths in extractive industries

|                  |              |                   |             |                   |             |
|------------------|--------------|-------------------|-------------|-------------------|-------------|
| <b>GDP 2021:</b> | <b>10.7%</b> | <b>GDP 2022F:</b> | <b>6.6%</b> | <b>GDP 2023F:</b> | <b>2.9%</b> |
|------------------|--------------|-------------------|-------------|-------------------|-------------|

Sources: Scotiabank Economics, Bloomberg, as of July 29, 2022.



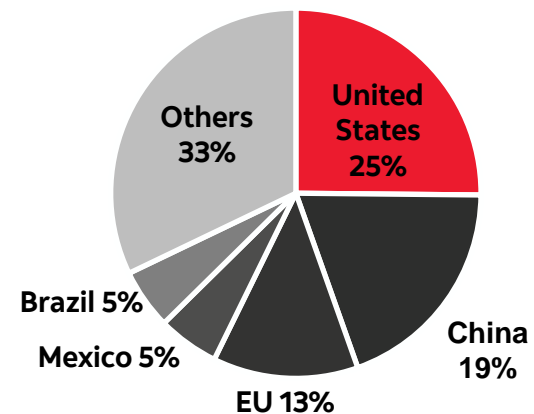
### Contributions to Colombian GDP Growth



\*Statistical discrepancy, subject to revision.

Sources: Scotiabank Economics, Haver Analytics.

### Top Trading Partners\*



\* Trade data updated as of Q1-2022.

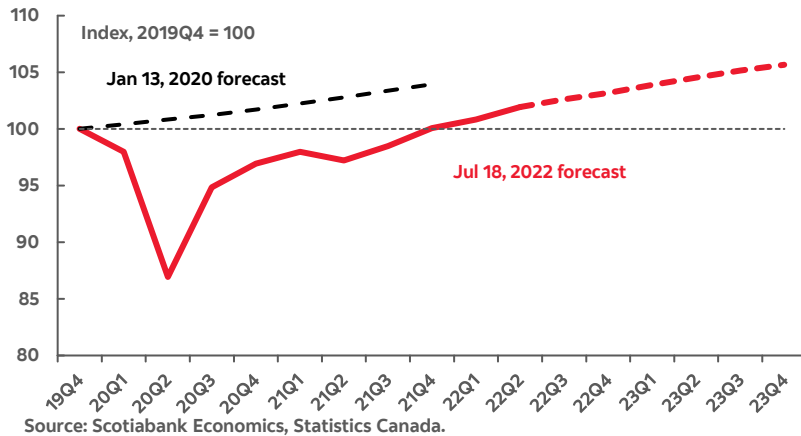


## Appendix 2

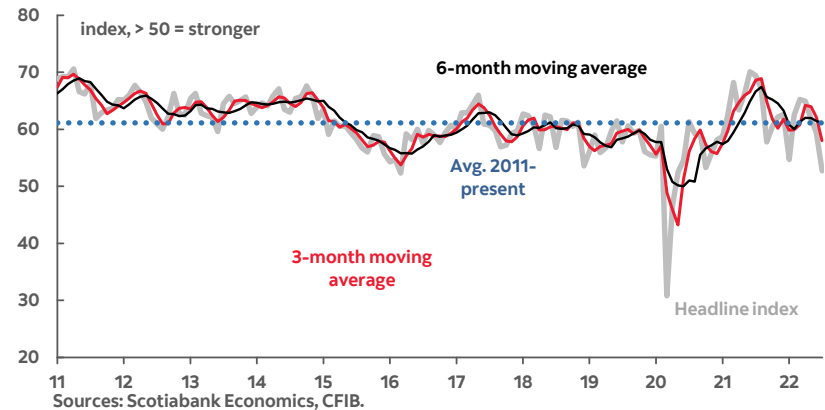
# **Canadian Economic Fundamentals**

# CA: Consumer and Business Activity

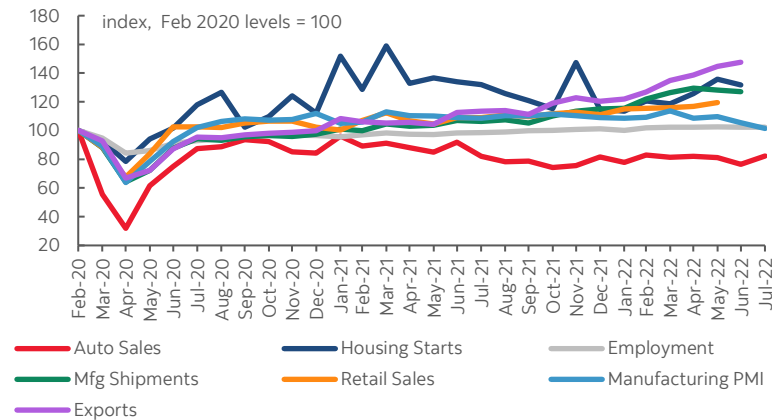
## GDP Getting Back on Track



## Business Confidence – CFIB Business Barometer

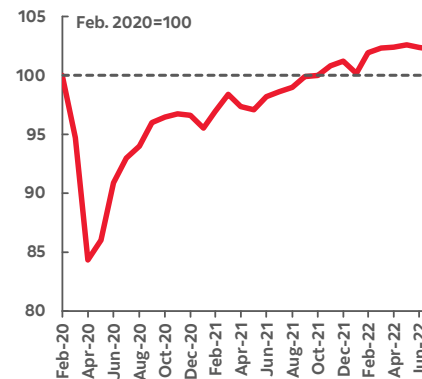


## Key Economic Indicators

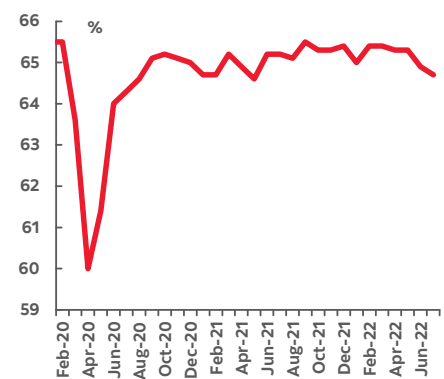


## Labour Market Recovery

### Canada Fully Recovers Lost Jobs

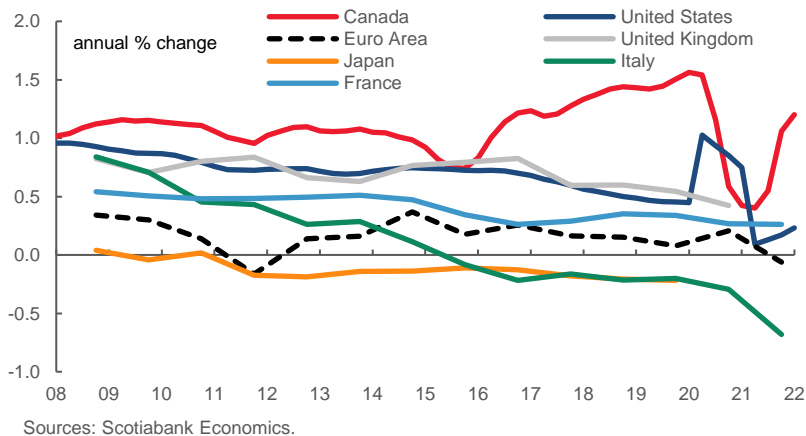


### Canada's Labour Force Participation Rate

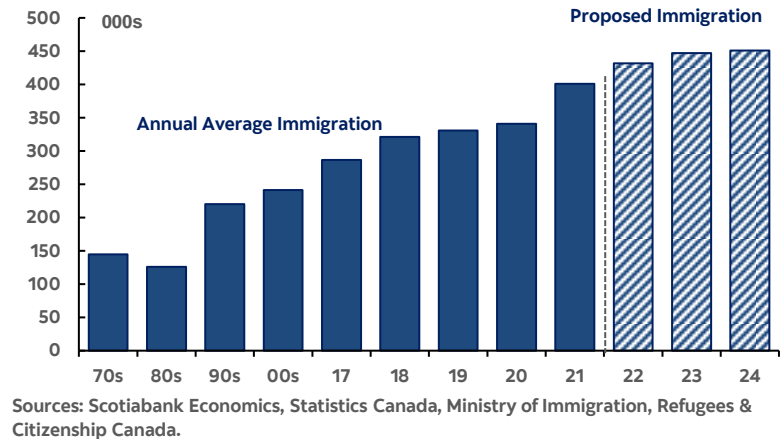


# CA: Demographics and Housing Market

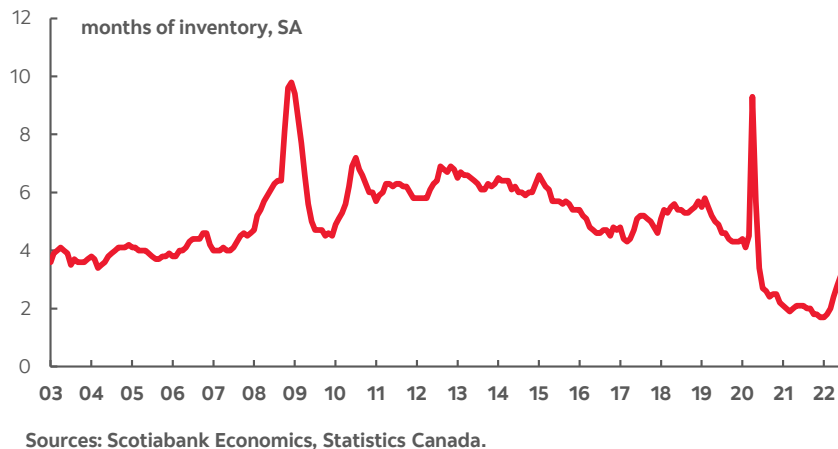
## Population Growth Rebounding



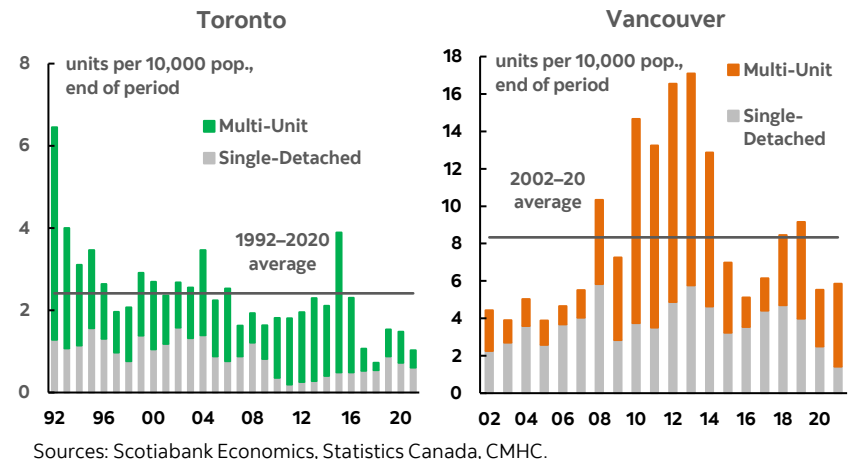
## Immigration Pushing to Record Levels



## Canadian Residential Housing Inventory Rising



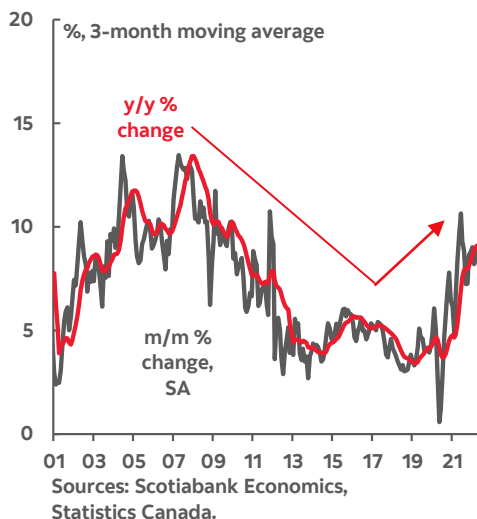
## Housing Supply Still Tight in Key Markets



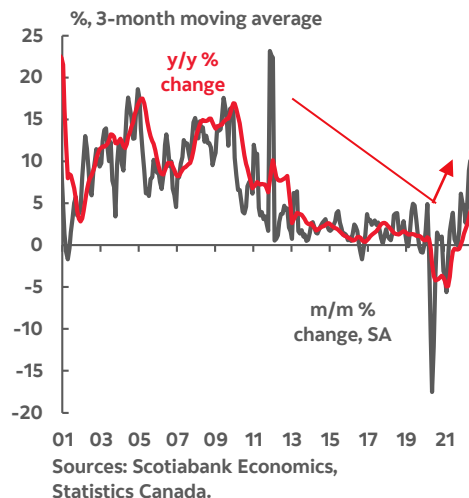
# CA: Growth in Household Credit

- Total household credit growth, in annual nominal terms, had slowed considerably since the 2007 peak of 13.4% y/y. But household credit growth has picked up rapidly throughout 2021 and into 2022, reaching 9.1% y/y for the rolling quarter ending May. 2022, the highest rate since mid-2010.
- Consumer loans excluding mortgages (i.e., cards, HELOCs, unsecured lines, auto loans, etc.) grew by 4.0% y/y for the rolling quarter ending May. 2022. Consumer loan growth has trended downward since late-2000 highs of over 16.6% y/y and declined further during the pandemic on refinancing into secured credit, but the most recent few quarters reflect signs of strengthening consumer demand and spending.
- Mortgage credit grew at 10.4% y/y in the rolling quarter ending May. 2022 vs the 2007 peak of 14.1% y/y. Underlying demand, pandemic-induced moves, and relatively low five-year rates have driven a rebound in the pace of growth. However, early signs of slowing mortgage growth are showing amidst higher rates.

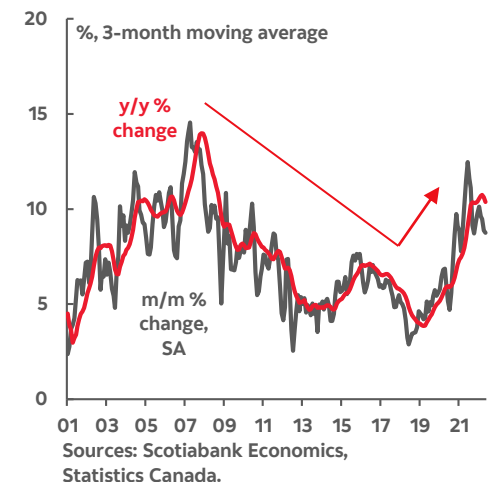
## Household Credit Growth



## Consumer Loan Growth

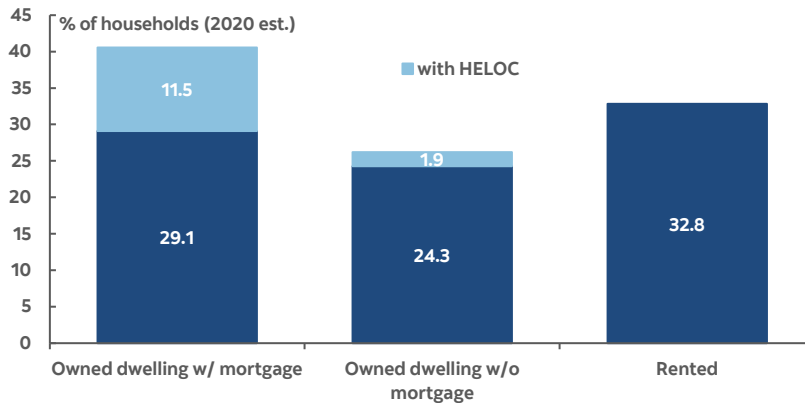


## Residential Mortgage Growth



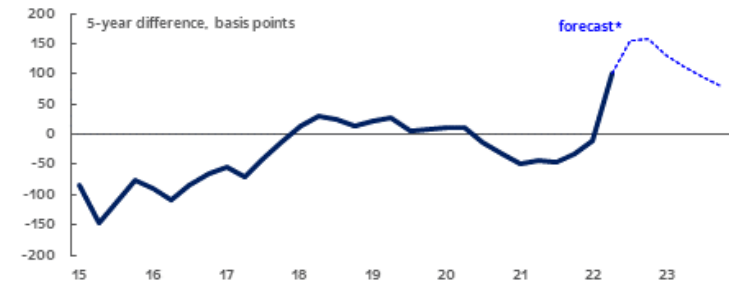
# CA: Housing Finances

## More than Half of Canadian Households Don't Have a Mortgage or HELOC



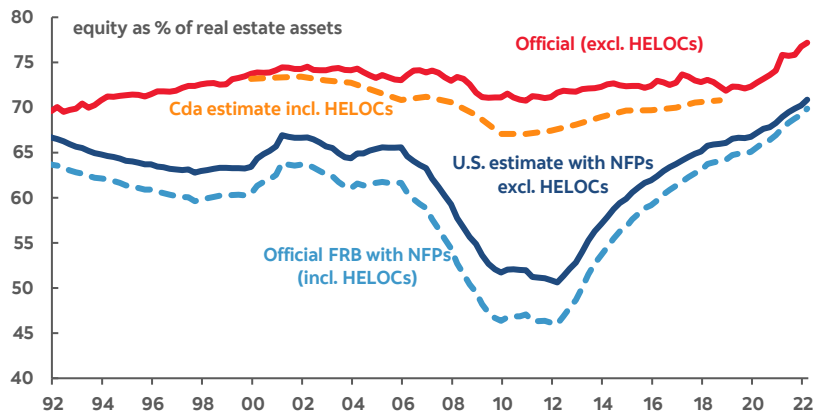
Sources: Scotiabank Economics, Mortgage Professionals Canada.

## 5-Year Mortgage Rates Resetting Higher



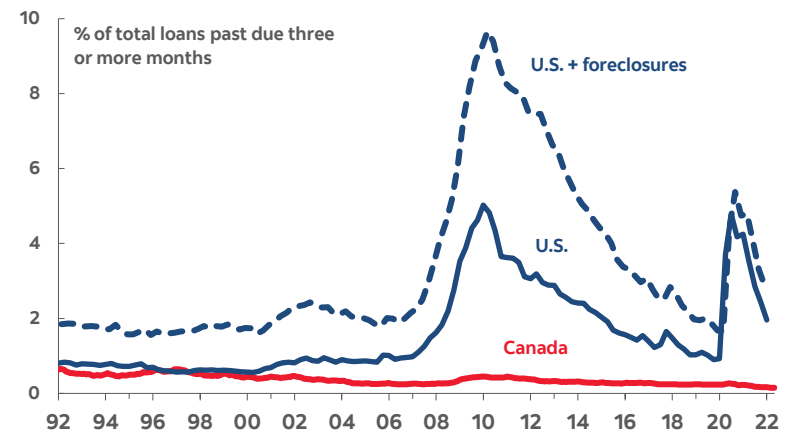
\*Based on Scotiabank Economics forecast of 5-year government of Canada bond yields and historical spreads between the conventional 5-year mortgage rate and the GoC 5-year bond yield.  
Sources: Scotiabank Economics, Bank of Canada.

## Higher Home Equity in Canada



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

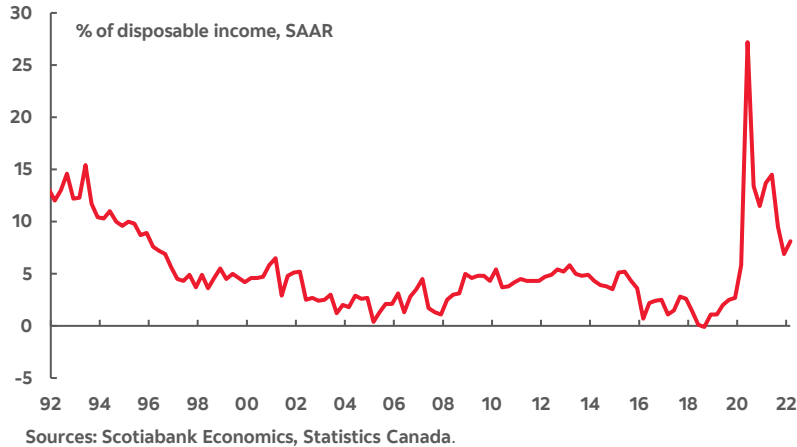
## Canadian Mortgage Delinquencies Declining



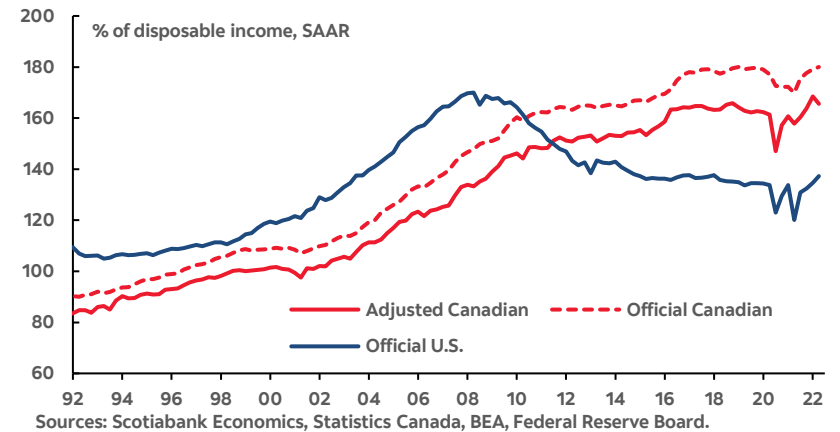
Sources: Scotiabank Economics, MBA, CBA.

# CA: Household Finances

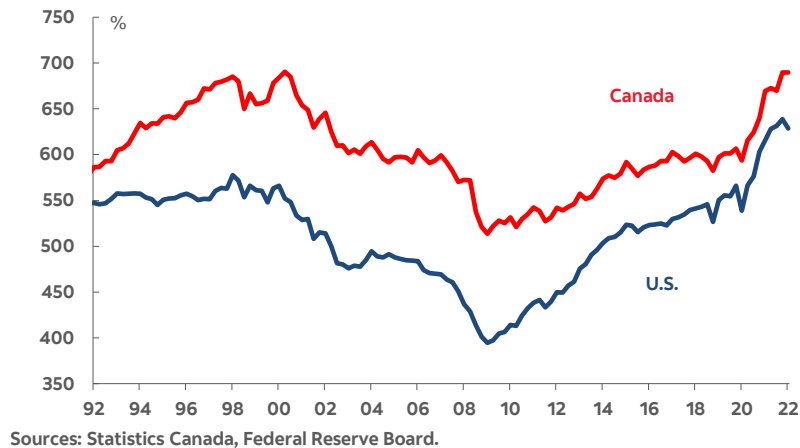
## Household Savings Ratios Still Elevated



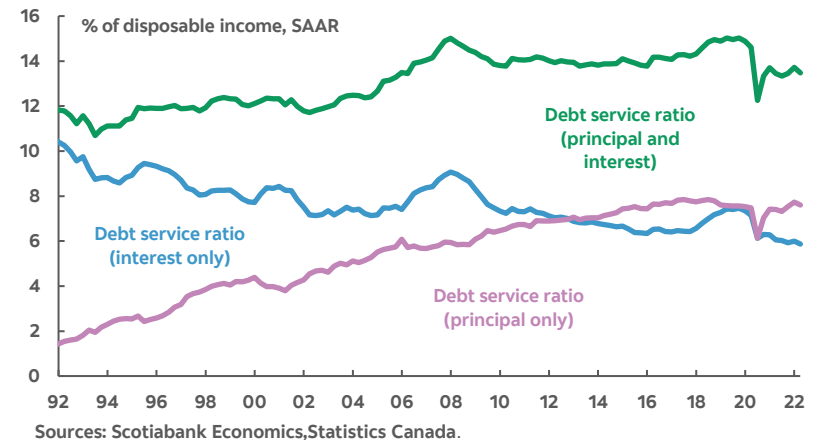
## Household Credit-Market Debt Has Levelled Off



## Ratio of Household Assets to Liabilities Rising



## Household Debt-Service Ratios Tempered



# Appendix 3

## **Bail-in and TLAC**

# Canadian Bail-in Regulations: Key Features

## Best in class approach

- Post September 23, 2018, senior unsecured debt issued by Canadian DSIBs that is subject to bail-in is the only format of issuance available<sup>1</sup> and is a single class of debt<sup>2</sup> that is not subordinated to another class of wholesale senior debt
- Canadian bank term senior unsecured debt is not structurally, statutorily or contractually subordinated to another class of senior liabilities and therefore ranks equally to deposits and other senior liabilities in liquidation
- Canada utilizes a statutory bail-in regime where, unlike the contractual regime of Canadian NVCC capital instruments, bail-in conversion terms are not prescribed. CDIC retains flexibility to exercise the bail-in power in a manner that is appropriate given the circumstances at the time and subject to certain parameters.
- In the remote event of non-viability, the no creditor worse off principle ensures that bailed-in senior creditors do not incur greater losses through resolution than liquidation. The CDIC compensation regime floors recovery at the liquidation value.
- The bail-in regime provides for a relative hierarchy of claims. Creditors receive common shares in accordance with their relative rankings.






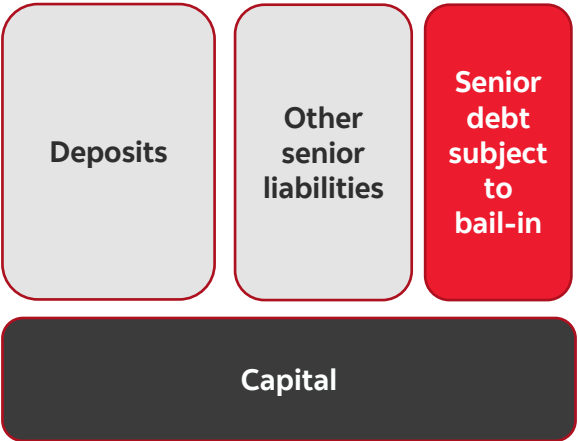
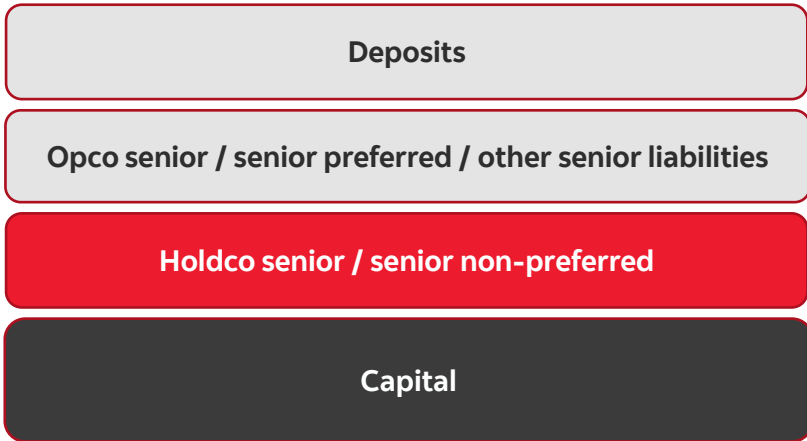
<sup>1</sup>Excludes structured notes as defined in section 2(6) of the Bank Recapitalization (Bail-in) Conversion Regulations under the CDIC Act

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



# Canadian Bail-in Regulations: Jurisdictional Comparison

## Best in class approach

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

<sup>1</sup>Applicable in practice for G-SIBs' issuance of non-capital bail-in debt

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

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

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

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

# Summary of Bail-in / TLAC Regime

## Best in class approach

|  |   |
|--|---|
| <b>Scope</b>                             | OSFI designated DSIBs   |
| <b>Scope of bail-in instruments</b>      | Senior unsecured debt that is tradeable and transferable, original term >400 days, unsecured and issued, originated or renegotiated after September 23, 2018  |
| <b>Liabilities excluded from bail-in</b> | Insured deposits, uninsured deposits <sup>1</sup> , debt with original term < 400 days, ABS / covered bonds, structured notes <sup>2</sup> , derivative liabilities, other liabilities  |
| <b>TLAC compliance date</b>              | November 1, 2021  |
| <b>TLAC requirement</b>                  | 24.0% minimum risk-based TLAC ratio as of November 1, 2021 (21.5% plus a 2.5% Domestic Stability Buffer)<br>6.75% minimum TLAC leverage ratio   |
| <b>TLAC eligibility</b>                  | Regulatory capital <sup>3</sup> + bail-in debt with remaining term to maturity > 1 year <sup>4</sup>  |
| <b>Grandfathering</b>                    | Yes – all senior instruments issued prior to September 23, 2018   |
| <b>Sequencing and preconditions</b>      | 1. Federal authorities bring bank into resolution<br>2. Full conversion of bank's NVCC instruments must occur prior to or concurrently with bail-in   |
| <b>Form of bail-in</b>                   | Equity conversion   |
| <b>DSIB disclosure requirements</b>      | - Include disclosure related to the conversion power in any agreement governing an eligible liability as well as any accompanying offering document<br>- Include a clause in the contractual provisions governing any eligible liability through which investors provide express submission to the Canadian bail-in regime<br>- TLAC and TLAC leverage ratios are disclosed in the Bank's Quarterly Report and Supplementary Regulatory Capital Disclosures |

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

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

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

<sup>3</sup>Adjusted to fully include subordinated debentures with a remaining term of one to five years

<sup>4</sup>Provided such bail-in debt meets certain other requirements

# Appendix 4

## **Covered Bonds**

# Global Registered Covered Bond Program

## Highlights

- Able to issue across multiple currencies such as CAD, USD, EUR, GBP, AUD and CHF
- CAD\$46.5 billion outstanding<sup>1</sup> vs. \$100 billion program size<sup>2</sup>
- Extensive regulatory oversight and pool audit requirements
- Mandatory property value indexation
- CMHC prescribed disclosure requirements
- Program carries the ECBC Covered Bond Label

|                         |   |
|-------------------------|---|
| <b>Issuer</b>           | The Bank of Nova Scotia   |
| <b>Guarantor</b>        | Scotiabank Covered Bond Guarantor Limited Partnership   |
| <b>Guarantee</b>        | Payments of interest and principal in respect of the covered bonds are irrevocably guaranteed by the Guarantor. The obligations under the Covered Bond Guarantee constitute direct obligations of the Issuer and are secured by the assets of the Guarantor, including the Portfolio.   |
| <b>Status</b>           | The covered bonds will constitute legal, valid and binding direct, unconditional, unsubordinated and unsecured obligations of the Bank and will rank pari passu with all deposit liabilities of the Bank without any preference among themselves and at least pari passu with all other unsubordinated and unsecured obligations of the Bank, present and future. |
| <b>Program Size</b>     | CAD \$100 billion <sup>2</sup>  |
| <b>Ratings</b>          | Aaa / AAA / AAA (Moody's / Fitch / DBRS)  |
| <b>Cover Pool</b>       | First lien uninsured Canadian residential mortgage loans with LTV limit of 80%  |
| <b>Asset Percentage</b> | 94.8%   |
| <b>Law</b>              | Ontario, Canada   |
| <b>Issuance Format</b>  | 144A / Reg S (UKLA Listed)  |

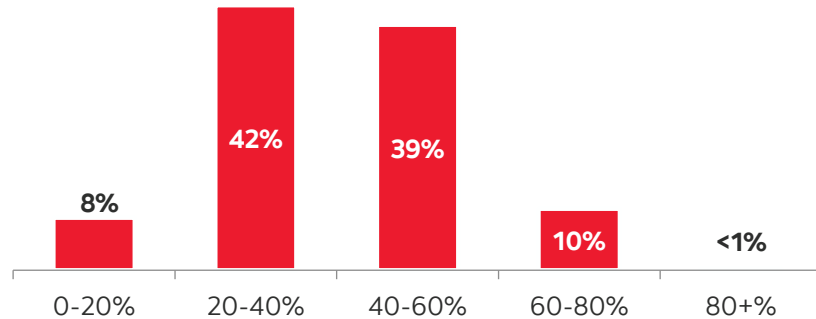
<sup>1</sup> As at July 28, 2022.

<sup>2</sup> Effective April 6, 2021, OSFI limit for issuance is 5.5% of Total Assets.

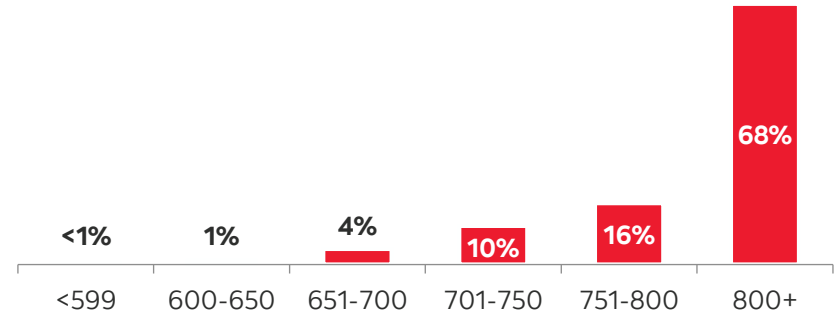
# Global Registered Covered Bond Program<sup>1</sup>

## Portfolio Summary Statistics

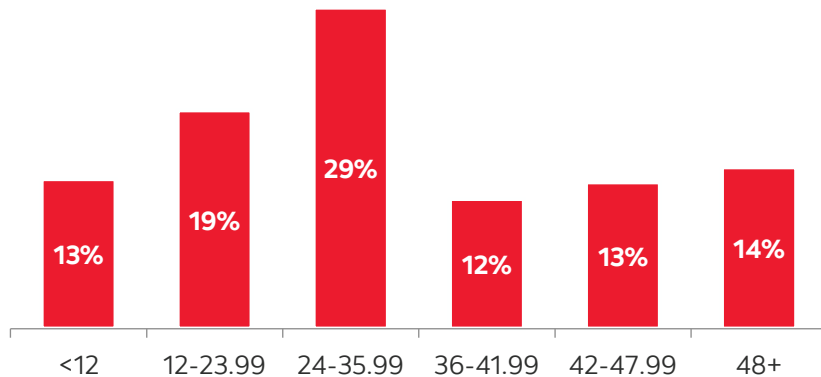
### LOAN-TO-VALUE RATIOS<sup>2</sup>



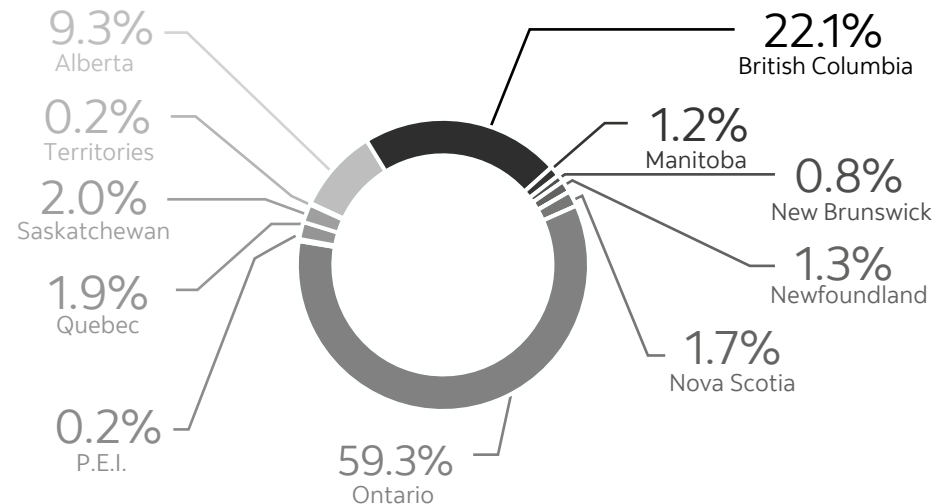
### CREDIT SCORES<sup>3</sup>



### REMAINING TERM DISTRIBUTION (MONTHS)



### PROVINCIAL DISTRIBUTION



<sup>1</sup> As at July 28, 2022. Charts may not add due to rounding

<sup>2</sup> Uses indexation methodology as outlined in Footnote 1 on page 3 of the Scotiabank Global Registered Covered Bond Monthly Investor Report

<sup>3</sup> Excludes unavailable credit scores

# Canadian Legislative Covered Bonds

## (CMHC Registered)

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

# Appendix 5

## **Additional Information**

# Additional Information

## Scotiabank Listings:

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

## Scotiabank Common Share Issue Information:

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

## Scotiabank Credit Ratings

|                                      | Moody's<br>Investors<br>Services | Standard & Poor's | Fitch Ratings | Dominion Bond<br>Rating Service<br>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(hyb)                        | BBB+              | A             | A (low)                                 |
| Short Term Deposits/Commercial Paper | P-1                              | A-1               | F1+           | R-1 (high)                              |
| Covered Bond Program                 | Aaa                              | Not Rated         | AAA           | AAA                                     |
| Outlook                              | Stable                           | Stable            | Stable        | Stable                                  |

<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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