


Investor Presentation

SECOND QUARTER 2015

May 29, 2015

Scotiabank®

Caution Regarding Forward-Looking Statements

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 United States Securities and Exchange Commission, or in other communications. All such statements are made pursuant to the "safe harbour" provisions of the United States Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements made in this document, the Management's Discussion and Analysis in the Bank's 2014 Annual Report under the headings "Overview – Outlook", for Group Financial Performance "Outlook", for each business segment "Outlook" and in other statements regarding the Bank's objectives, strategies to achieve those objectives, expected financial results (including those in the area of risk management), and the outlook for the Bank's businesses and for the Canadian, United States and global economies. Such statements are typically identified by words or phrases such as "believe", "expect", "anticipate", "intent", "estimate", "plan", "may increase", "may fluctuate", and similar expressions of future or conditional verbs, such as "will", "should", "would" and "could". By their very nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, and the risk that predictions and other forward-looking statements will not prove to be accurate. Do not unduly rely on forward-looking statements, as a number of important factors, many of which are beyond our control, could cause actual results to differ materially from the estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to: the economic and financial conditions in Canada and globally; fluctuations in interest rates and currency values; liquidity; significant market volatility and interruptions; the failure of third parties to comply with their obligations to us and our affiliates; the effect of changes in monetary policy; legislative and regulatory developments in Canada and elsewhere, including changes in tax laws; the effect of changes to our credit ratings; amendments to, and interpretations of, risk-based capital guidelines and reporting instructions and liquidity regulatory guidance; operational and reputational risks; the risk that the Bank's risk management models may not take into account all relevant factors; the accuracy and completeness of information the Bank receives on customers and counterparties; the timely development and introduction of new products and services in receptive markets; the Bank's ability to expand existing distribution channels and to develop and realize revenues from new distribution channels; the Bank's ability to complete and integrate acquisitions and its other growth strategies; changes in accounting policies and methods the Bank uses to report its financial condition and financial performance, including uncertainties associated with critical accounting assumptions and estimates (see "Controls and Accounting Policies – Critical accounting estimates" in the Bank's 2014 Annual Report, as updated by quarterly reports); the effect of applying future accounting changes (see "Controls and Accounting Policies – Future accounting developments" in the Bank's 2014 Annual Report, as updated by quarterly reports); global capital markets activity; the Bank's ability to attract and retain key executives; reliance on third parties to provide components of the Bank's business infrastructure; unexpected changes in consumer spending and saving habits; technological developments; fraud by internal or external parties, including the use of new technologies in unprecedented ways to defraud the Bank or its customers; increasing cyber security risks which may include theft of assets, unauthorized access to sensitive information or operational disruptions; consolidation in the Canadian financial services sector; competition, both from new entrants and established competitors; judicial and regulatory proceedings; acts of God, such as earthquakes and hurricanes; the possible impact of international conflicts and other developments, including terrorist acts and war on terrorism; the effects of disease or illness on local, national or international economies; disruptions to public infrastructure, including transportation, communication, power and water; 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. For more information, see the "Risk Management" section starting on page 65 of the Bank's 2014 Annual Report. Material economic assumptions underlying the forward-looking statements contained in this document are set out in the 2014 Annual Report under the headings "Overview – Outlook", as updated in quarterly reports; and for each business segment "Outlook". 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. The preceding list of important factors is not exhaustive. 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. The Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf. Additional information relating to the Bank, including the Bank's Annual Information Form, can be located on the SEDAR website at www.sedar.com and on the EDGAR section of the SEC's website at www.sec.gov.

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Overview

Brian Porter

President & Chief Executive Officer

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Q2 2015 Overview

- **Good Q2 results**
  - Net income of $1.8 billion
  - Diluted EPS of $1.42
  - ROE of 15.1%
- **Revenue growth of 4% year-over-year**
- **Capital position remains strong at 10.6%**
- **Quarterly dividend of $0.68**

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Financial Review

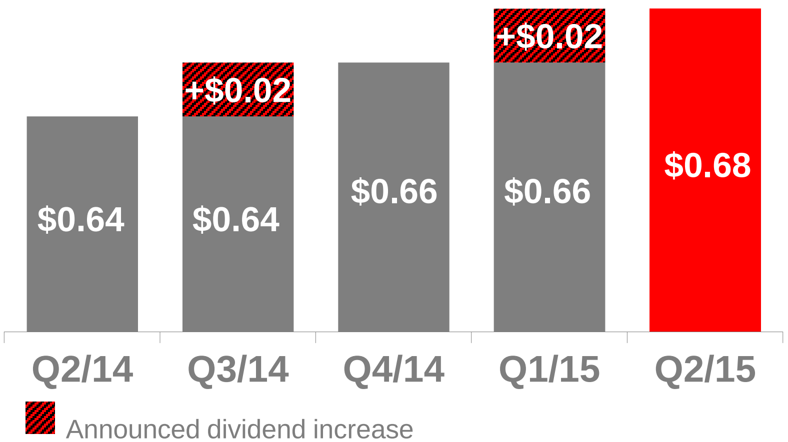
Sean McGuckin

Chief Financial Officer

Q2 2015 Financial Performance

$ millions, except EPS	Q2/15	Q/Q	Y/Y
Net Income	$1,797	+4%	-0%
Diluted EPS	$1.42	+5%	+2%
Revenues[1]	$6,054	+2%	+4%
Expenses	$3,224	+1%	+8%
Productivity Ratio	53.3%	+40bps	-170bps
Core Banking Margin[1]	2.41%	0bps	-1bps

Dividends Per Common Share



Highlights

- **Diluted EPS growth of 2% Y/Y**
- **Revenue growth of 4% Y/Y**
  - Solid asset growth in CB and IB
  - Positive impact of FX
  - Higher fee income offset by lower securities gains and contribution from associated corporations
  - Stable core banking margin
- **Expenses up 8% Y/Y**
  - Volume-related expenses, technology, and growth initiatives
  - Negative impact of FX
  - Higher compensation expenses due to inflation, base salary adjustments, and lower discount rates impacting pension obligations and benefits
- **Operating leverage of -1.1% YTD**

(1) Taxable equivalent basis

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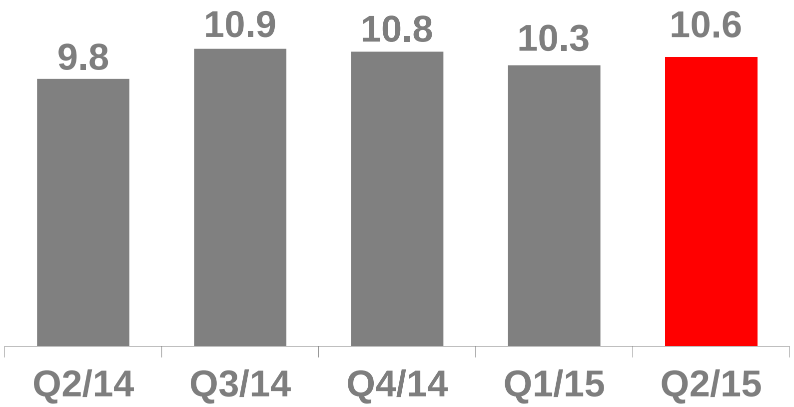
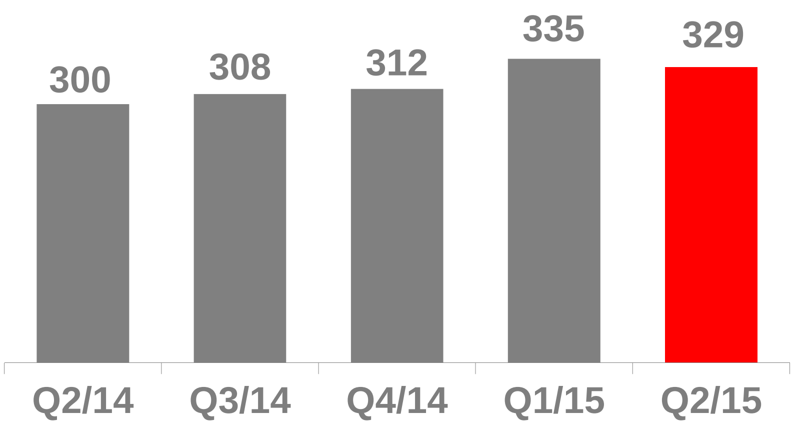
Capital – Strong Position

Basel III Common Equity Tier 1 (CET1) (%)



CET1 Risk-Weighted Assets ($B)



Highlights

- **Basel III CET1 ratio of 10.6%, up 30bps Q/Q**
  - Positively impacted by quarterly earnings and partial pension obligation recovery
  - Q2/15 internal capital generation of $0.9 billion
- **CET1 Risk-weighted assets down $6 billion Q/Q to $329 billion**
  - Impact of a stronger Canadian dollar on foreign currency denominated assets
  - Partly offset by growth in personal and business lending
- **Basel III Leverage ratio of 4.1**

Capital position remains strong

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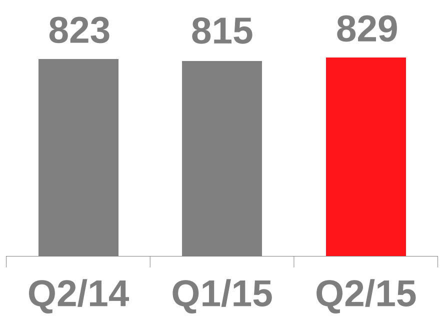
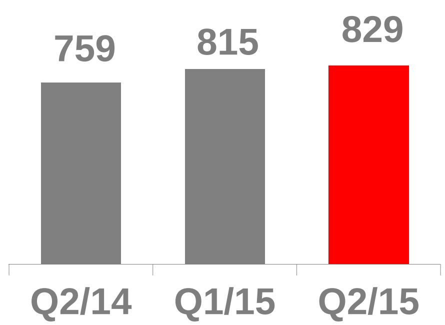
Canadian Banking

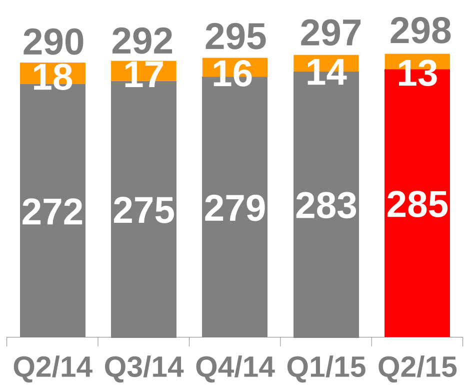
Reported Net Income[1] ($MM)



Adjusted Net Income[1,2] ($MM)

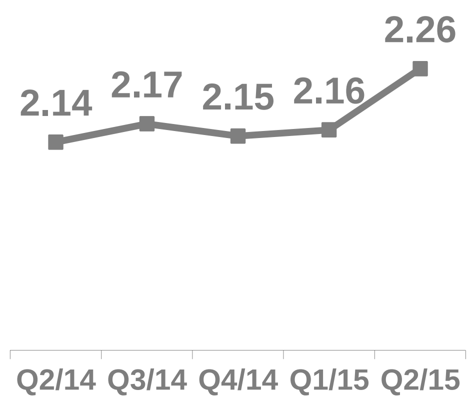


Average Assets ($B)



Tangerine run-off mortgage portfolio

Net Interest Margin (%)



(1) Attributable to equity holders of the Bank

(2) Adjusted for CI contribution and change in effective tax rate

Highlights

- **Adjusted net income up 9% Y/Y**
- **Loan growth of 3% Y/Y**
  - Ex. Tangerine run-off portfolio, up 6%
  - Double digit growth in other personal and commercial lending
- **Deposits up 4% Y/Y**
  - Retail chequing and savings balances up 9% and 6% respectively
  - Small business and commercial operating accounts up 10%
- **NIM up 12 bps Y/Y**
  - Higher spreads in personal lending
- **AUM up 13% Y/Y and AUA up 9% Y/Y**
- **Higher PCLs due to growth in higher spread retail assets**
- **Expenses up 6% Y/Y**
- **Adjusted positive operating leverage of 1.9% YTD**

Strong volume growth and margin expansion

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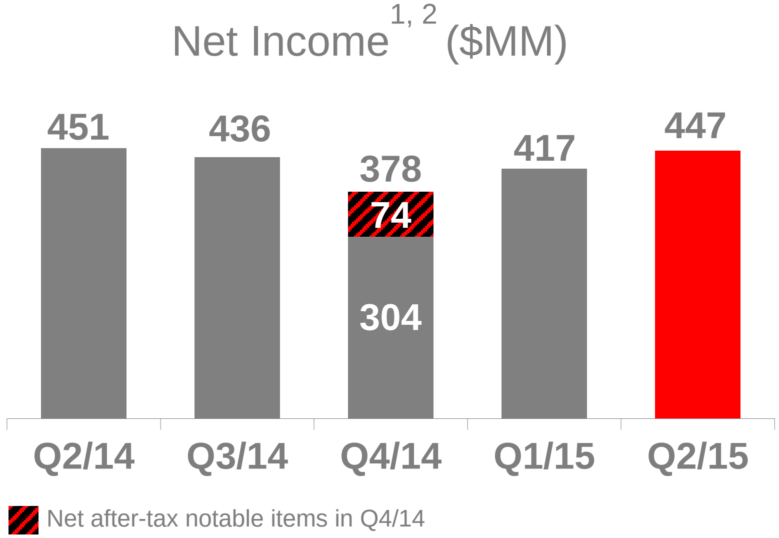
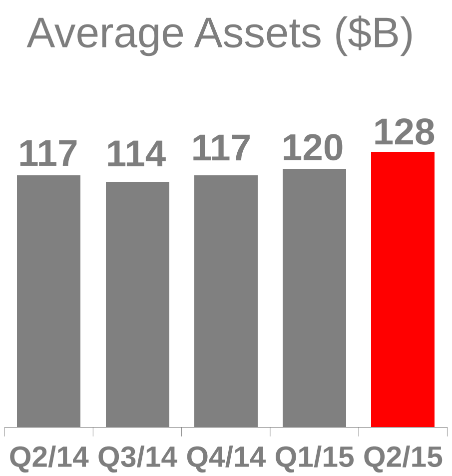
International Banking





Highlights

- **Net Income down 1% Y/Y**
  - Positive impact of FX, strong loan growth
  - Lower margins, lower Colpatria credit mark benefit and higher business taxes
- **Loans up 7% and deposits up 6% Y/Y, excluding positive FX**
  - Strong loan growth of 11% in LatAm (excluding positive FX)
- **Revenue up 5% Y/Y**
- **Higher PCLs Y/Y**
  - Lower credit mark benefit from Banco Colpatria
  - Underlying credit quality stable
- **Expenses up 10% Y/Y**
  - Negative impact of FX
  - Business growth, inflation, and higher business taxes
- **Operating leverage of -1.4% YTD**

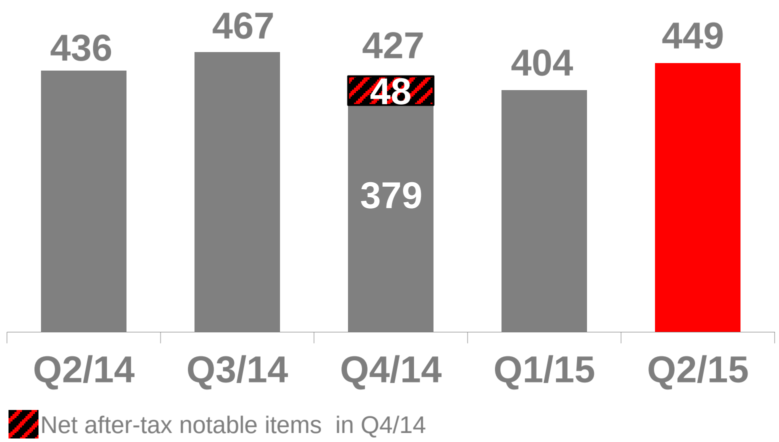
Strong asset growth, lower margins and higher PCLs

(1) Attributable to equity holders of the Bank

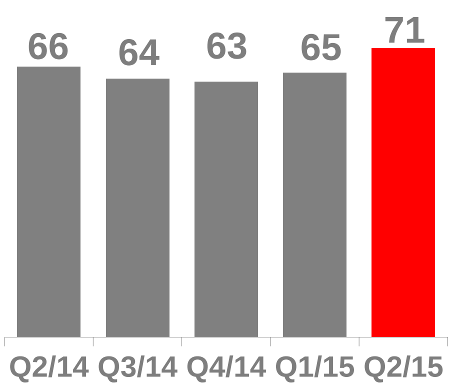
(2) Adjusted for notable items in Q4/14 – (See Appendix – Notable Items)

Global Banking & Markets

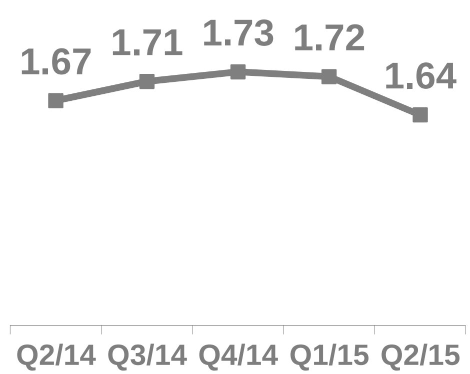
Net Income[1, 2] ($MM)



Average Loans[3] ($B)



Net Interest Margin[4] (%)



(1) Attributable to equity holders of the Bank
(2) Adjusted for notable items in Q4/14 – (See Appendix - Notable Items)
(3) Average Business & Government Loans & Acceptances
(4) Corporate Banking only

Highlights

- **Net income up 3% Y/Y**
  - Strong results in capital markets and Canadian lending
  - Positive impact of FX translation
  - Partly offset by lower contribution from investment banking, higher PCLs, and higher expenses
  - Last year benefited from a securities gain
- **Loan growth of 7% Y/Y**
- **NIM down 3 bps Y/Y**
- **Expenses up 7% Y/Y**
  - Negative impact of FX
  - Adjusted expenses increased due to higher technology costs and higher salaries and benefits
- **Positive operating leverage of 0.8% YTD**

Strong results in capital markets and Canadian lending

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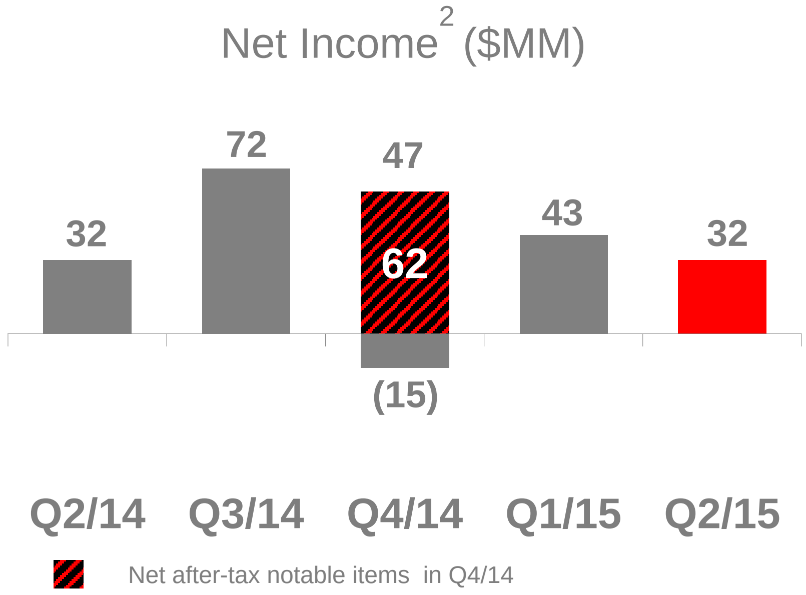
Other Segment[1]



Highlights

- **Net income flat Y/Y**
  - Higher net gains on investment securities
  - Lower taxes
  - Partly offset by lower asset/liability management activities

(1) Includes Group Treasury, smaller operating segments, and other corporate items which are not allocated to a business line. The results primarily reflect the net impact of asset/liability management activities

(2) Attributable to equity holders of the Bank

Risk Review

Stephen Hart

Chief Risk Officer

Risk Review

- **Underlying credit fundamentals remain strong**
- **Improvement in PCL ratio – down 1bps Q/Q to 41bps**
- **Gross impaired loans of $4.4 billion were down 4% Q/Q and up 13% Y/Y**
  - Excluding the impact of FX, gross impaired loans were down 1%
- **Net formations of $495 million was down from $771 million in Q1**
- **Market risk remains well-controlled**
  - Average 1-day all-bank VaR: $10.5MM vs. $11.2MM in Q1/15

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PCL Ratios

(Total PCL as % of average loans & BAs)	Q2/14	Q3/14	Q4/14[1]	Q1/15	Q2/15
Canadian Banking					
Retail	0.21	0.22	0.35	0.24	0.25
Commercial	0.16	0.17	0.13	0.12	0.13
Total	**0.20**	**0.21**	**0.33**	**0.23**	**0.24**
International Banking					
Retail	2.10	2.14	2.20	2.41	2.31
Commercial	0.32	0.33	1.08	0.35	0.20
Total	**1.16**	**1.19**	**1.62**	**1.33**	**1.19**
Total - Excluding Colpatria credit mark	***1.29***	***1.31***	***1.89***	***1.40***	***1.21***
Global Banking & Markets	**0.04**	**0.02**	**0.02**	**0.08**	**0.08**
All Bank	**0.36**	**0.37**	**0.53**	**0.42**	**0.41**
All Bank - Excluding Colpatria credit mark	***0.38***	***0.39***	***0.58***	***0.43***	***0.41***

(1) Excluding the impact for accelerated loan write-offs for bankrupt retail accounts of $62 million pre-tax (See Appendix – Notable Items), adjusted Q4/14 All Bank PCL ratio is 0.47 and Total Canadian Banking is 0.24

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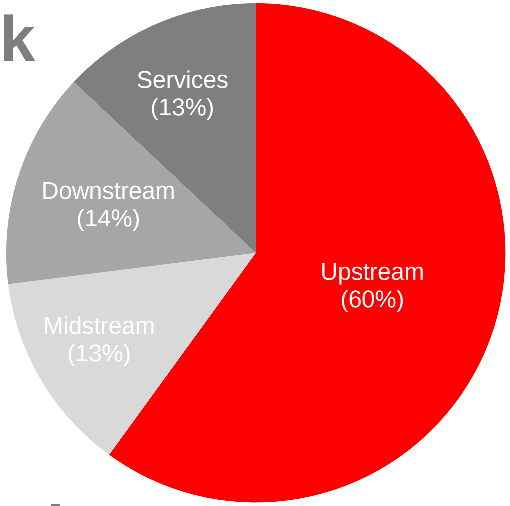
Oil and Gas Exposures[1]

- **Drawn corporate Oil and Gas exposure is $15.5 billion or 3.4% of our total loan book**

Upstream	$9.3B
Midstream	$2.1B
Downstream	$2.1B
Services	$2.0B
Total	**$15.5B**



- **Approximately 60% of our drawn exposure is investment grade**
- **Undrawn corporate Oil and Gas commitments is $12.0 billion**

(1) As of April 30, 2015

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Appendix

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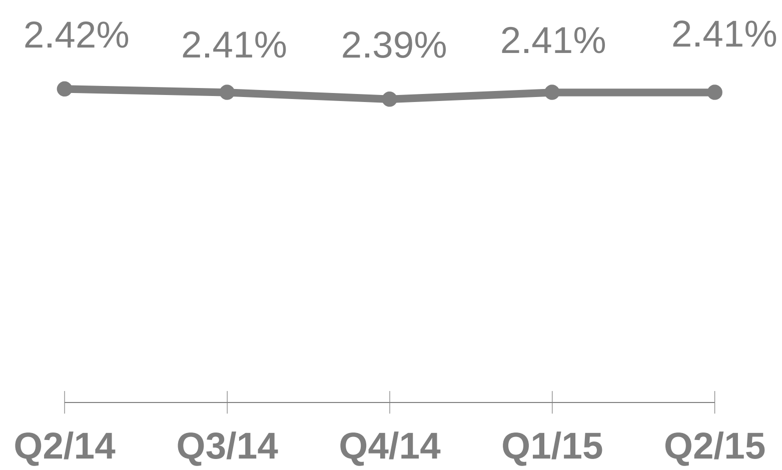
Core Banking Margin (TEB)[1]



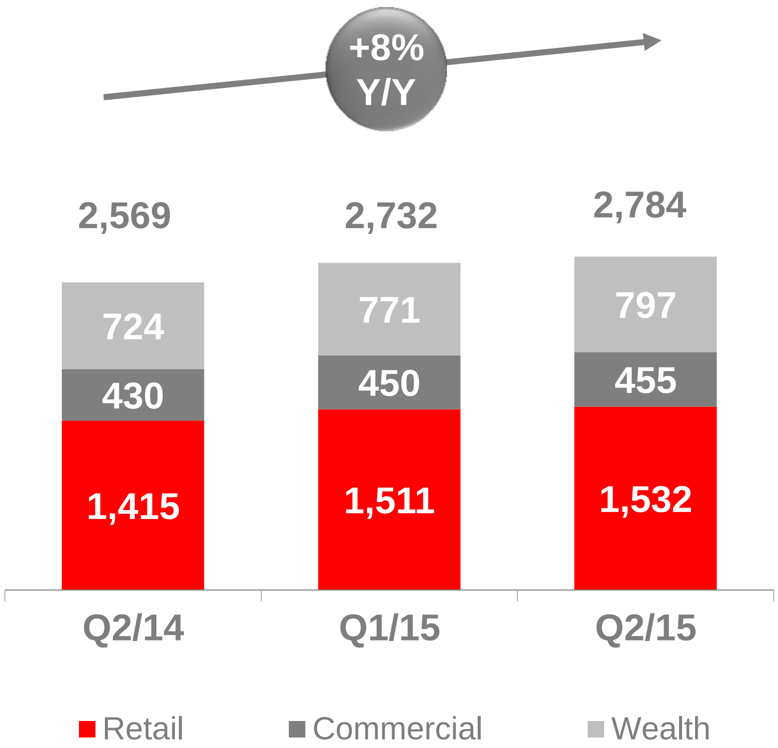
Year-over-Year

- Higher margin in Canadian Banking was offset by margin compression in International Banking and business mix

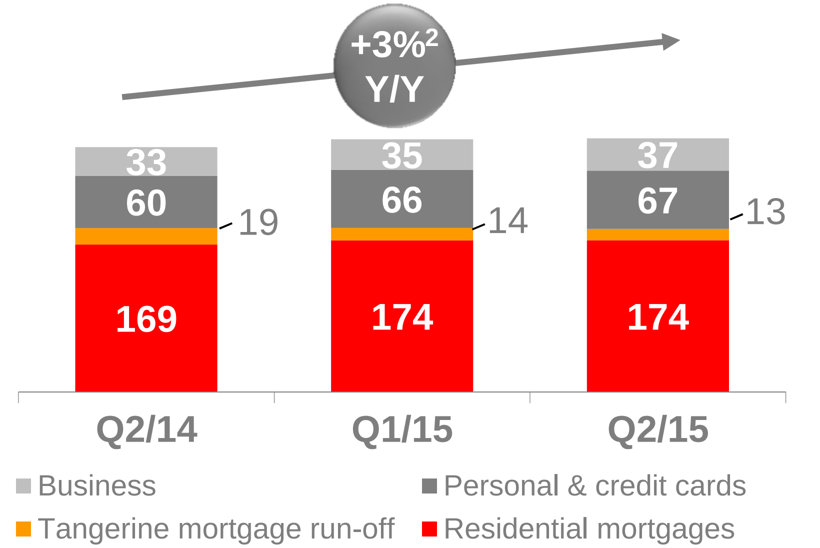
(1) Represents net interest income (TEB) as a % of average earning assets excluding bankers acceptances and total average assets relating to the Global Capital Markets business within Global Banking & Markets

Canadian Banking – Revenue & Volume Growth

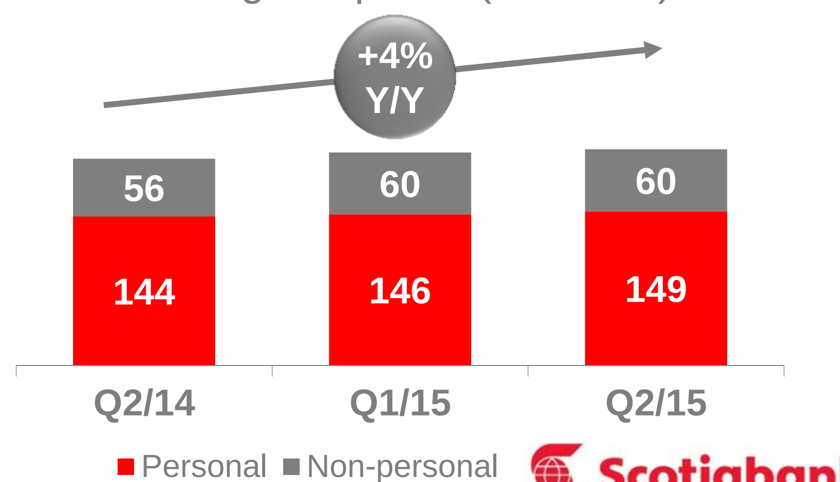
Adjusted Revenues[1] (TEB) ($ millions)



Average Loans & Acceptances ($ billions)



Average Deposits ($ billions)



(1) Adjusted for CI contribution

(2) Excluding Tangerine run-off portfolio, loans & acceptances increased 6% year-over-year

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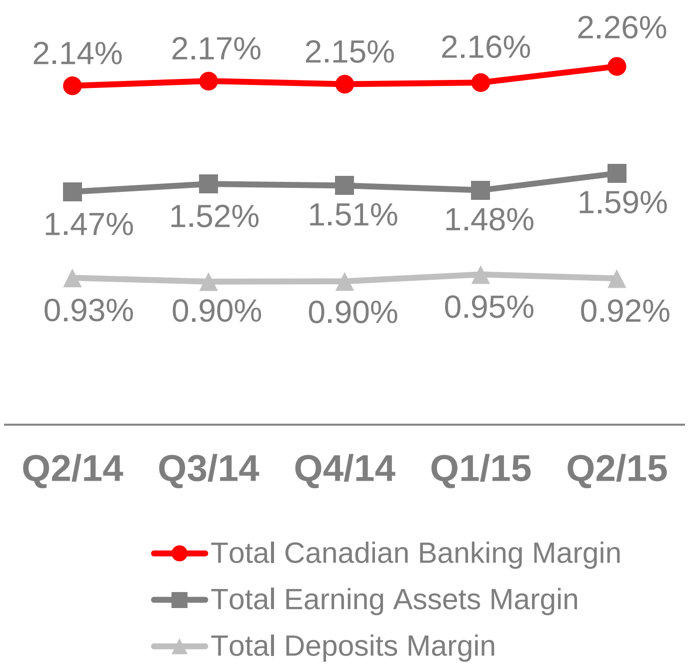
Canadian Banking – Net Interest Margin

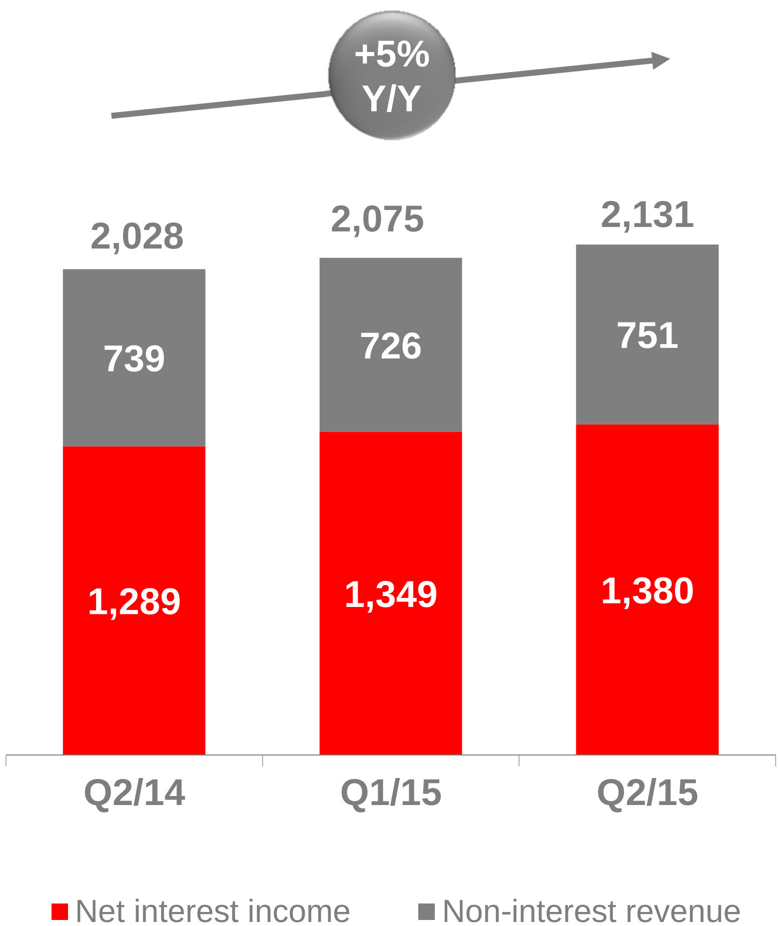


Year-over-Year

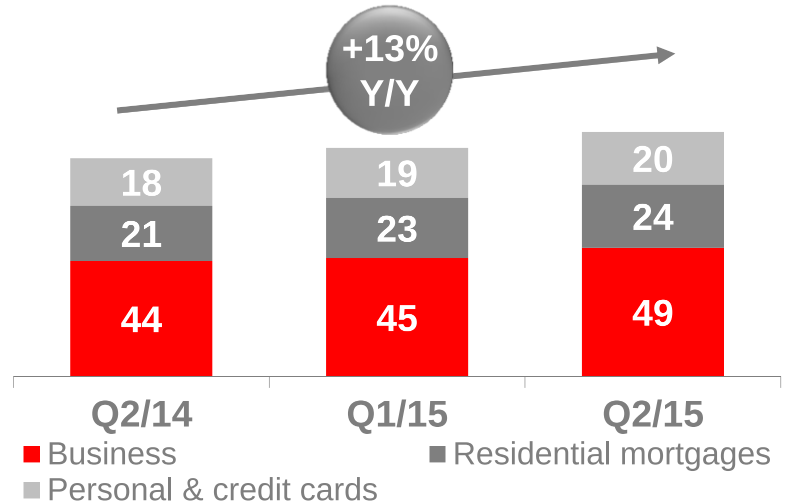
- Net Interest Margins were up 12bps, driven by higher earning asset margins of 12bps, partly offset by a lower deposit margin

International Banking – Revenue & Volume Growth

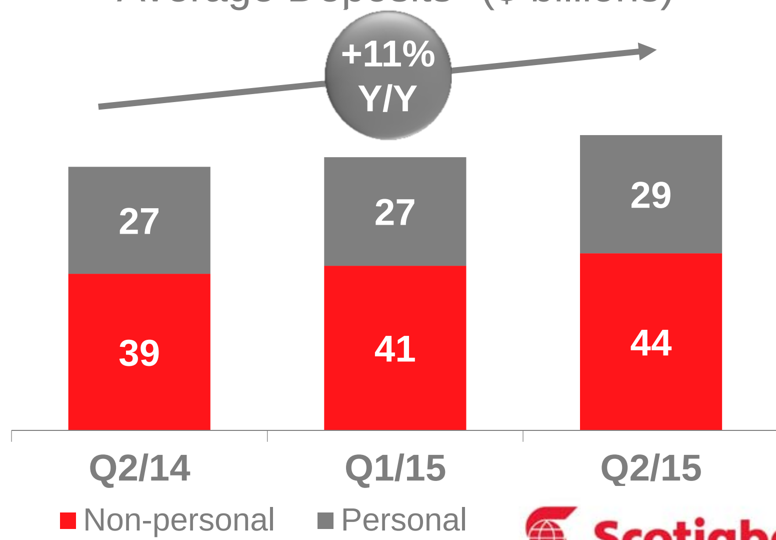
Revenues (TEB) ($ millions)



Average Loans & Acceptances ($ billions)



Average Deposits[1] ($ billions)



(1) Includes deposits from banks

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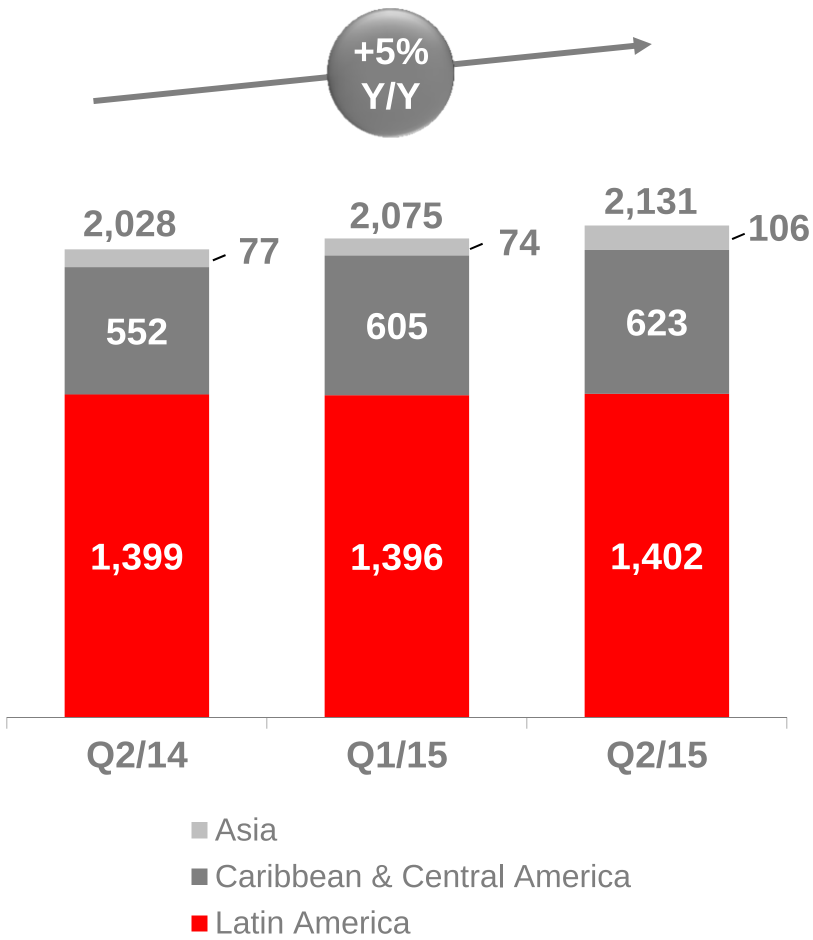
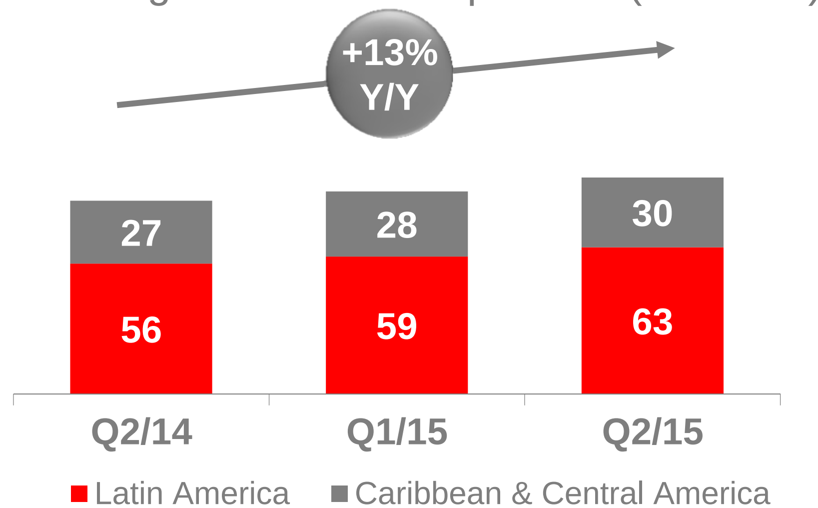
International Banking – Regional Growth

Revenues (TEB) ($ millions)



Average Loans & Acceptances ($ billions)



Constant FX Loan Volumes Y/Y	Retail	Commercial[1]	Total
Latin America	12%	10%	11%
C&CA	1%	-5%	-2%
Total	8%	5%	7%

(1) Excludes bankers acceptances

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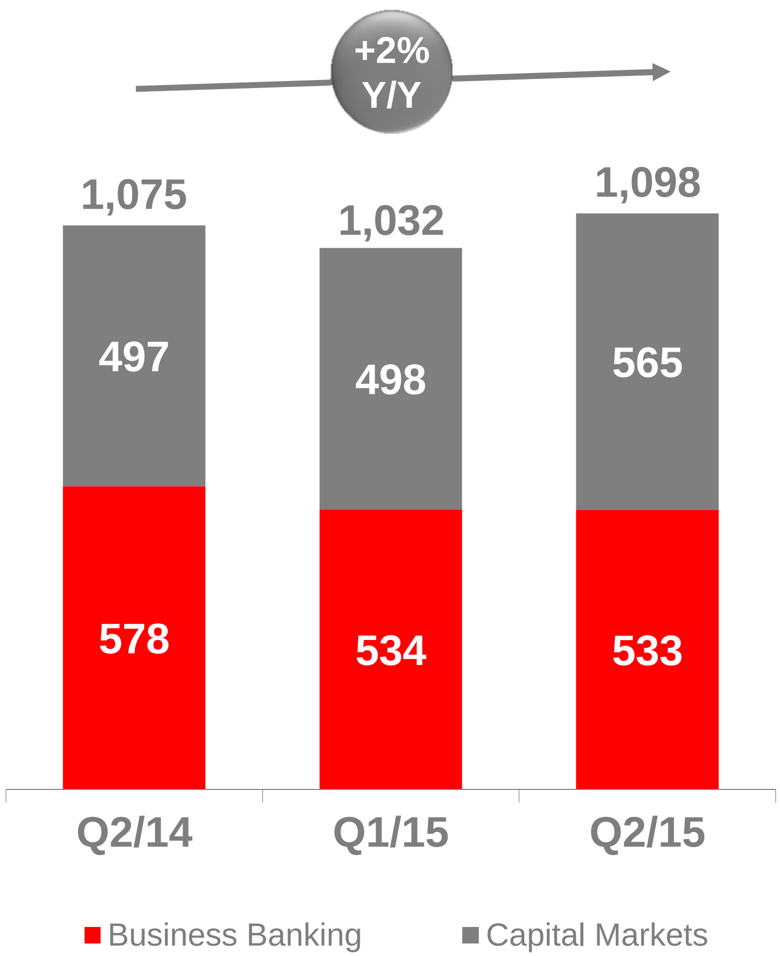
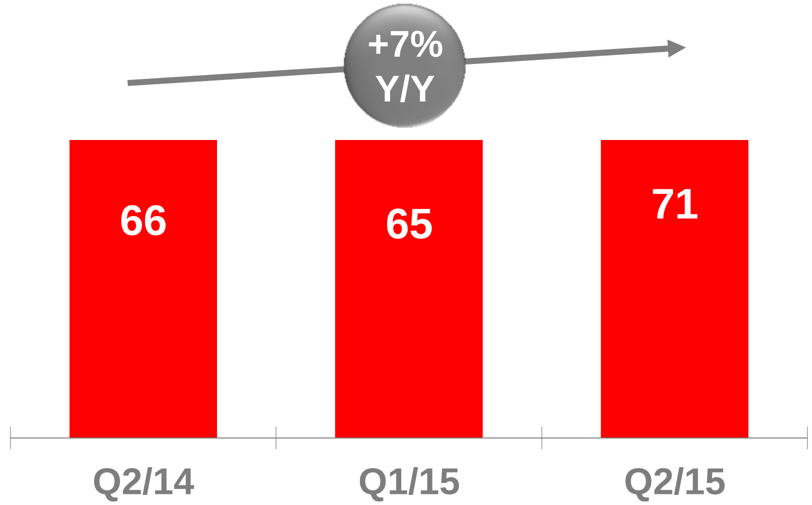
Global Banking & Markets – Revenue & Volume Growth

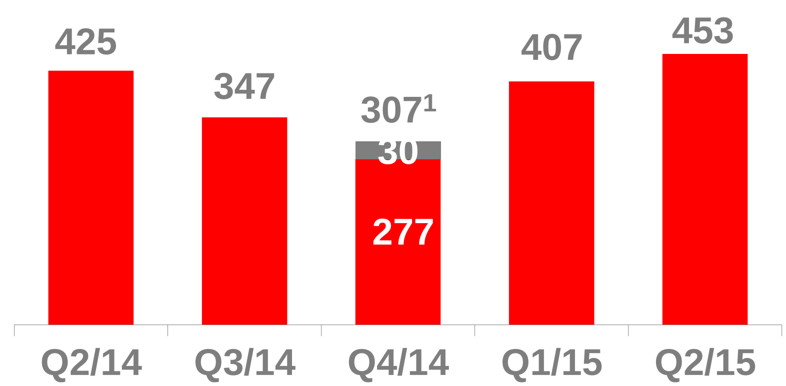
Revenues (TEB) ($ millions)



Average Loans & Acceptances ($ billions)



All-Bank Trading Revenue
(TEB, $ millions)



(1) Adjusted for notable items (See Appendix – Notable Items)

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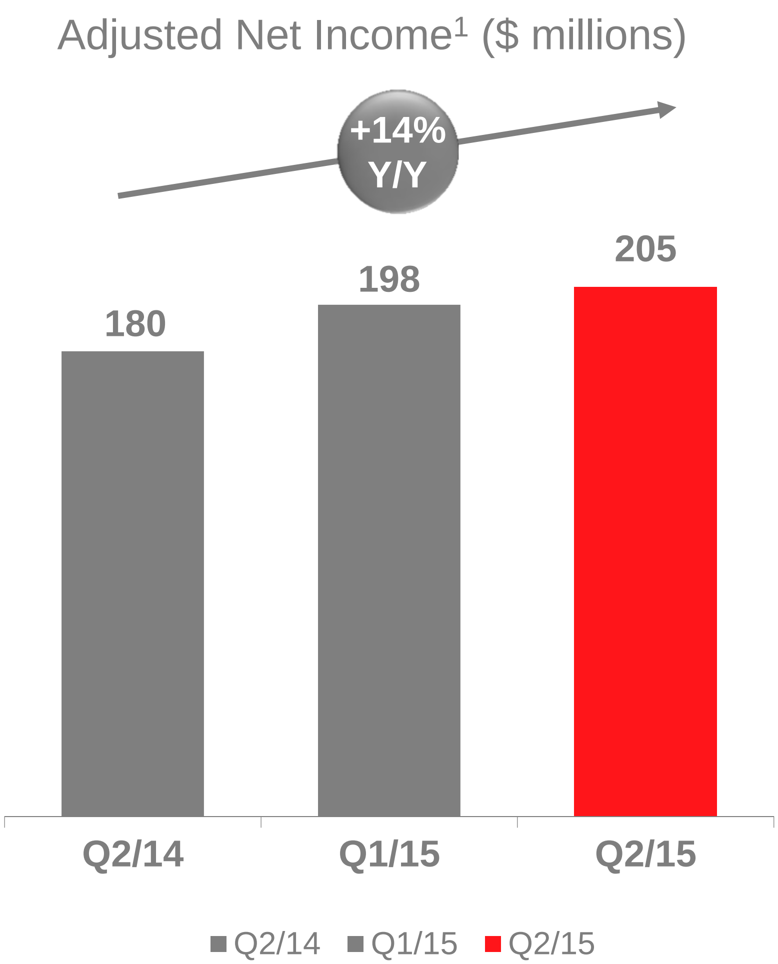
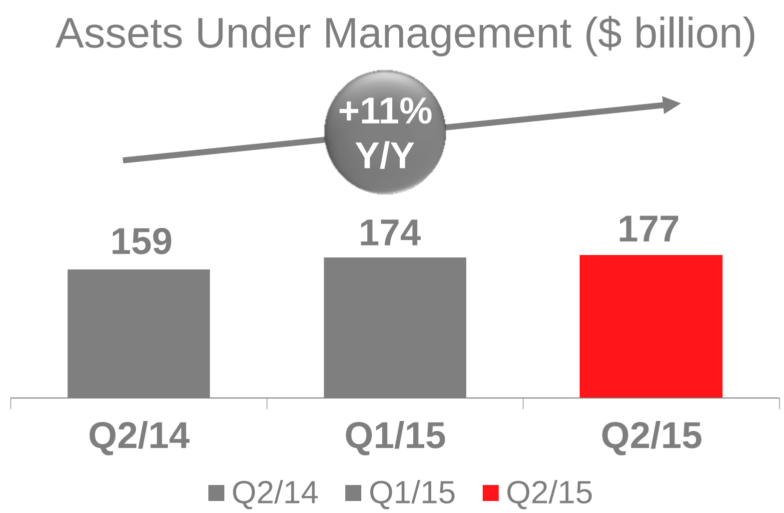
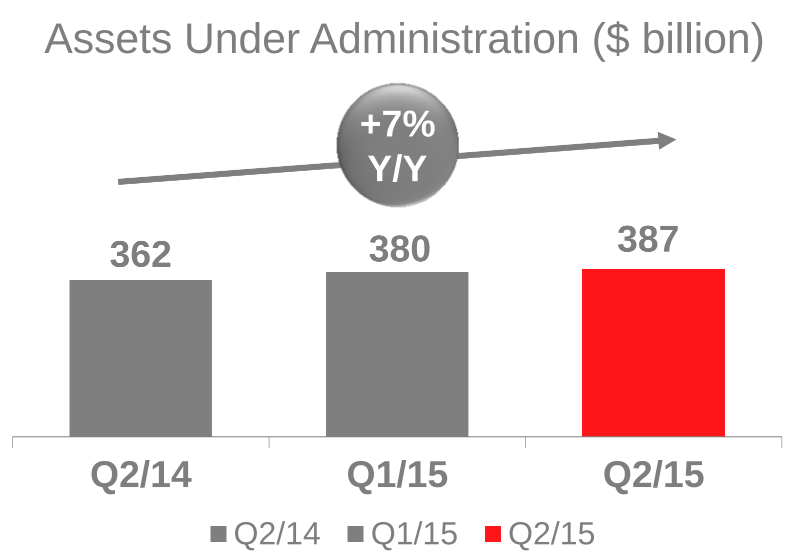
Global Wealth Management







(1) Adjusted for CI contribution

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Economic Outlook in Key Markets

	Real GDP (Annual % Change)			
Country	2000-13 Avg.	2014	2015F	2016F
Mexico	2.4	2.1	2.8	3.1
Peru	5.6	2.4	3.1	4.1
Chile	4.5	1.9	2.6	3.8
Colombia	4.2	4.6	3.5	3.8
Thailand	4.1	0.7	3.7	4.0
	2000-13 Avg.	2014	2015F	2016F
Canada	2.2	2.5	1.8	2.0
U.S.	1.9	2.4	2.6	2.9

Source: Scotia Economics, as of May 14, 2015

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Provisions for Credit Losses

($ millions)	Q2/14	Q3/14	Q4/14[1]	Q1/15	Q2/15
Canadian Retail	127	137	225	154	157
Canadian Commercial	13	15	11	11	12
Total	**140**	**152**	**236**	**165**	**169**
International Retail	196	206	218	246	242
International Commercial	33	36	118	39	24
Total	**229**	**242**	**336**	**285**	**266**
Total - Excluding Colpatria credit mark	***256***	***270***	***392***	***301***	***270***
Global Banking & Markets	**6**	**4**	**2**	**13**	**13**
All Bank	**375**	**398**	**574**	**463**	**448**
All Bank - Excluding Colpatria credit mark	***402***	***426***	***630***	***479***	***452***
PCL ratio (bps) – Total PCL as % of average loans and BAs	**36**	**37**	**53**	**42**	**41**

(1) Excluding the impact for accelerated loan write-offs for bankrupt retail accounts of $62 million pre-tax (See Appendix – Notable Items), adjusted Q4/14 All Bank PCLs is $512 million and Total Canadian Banking is $174 million. Adjusted All bank PCL ratio is 47bps in Q4/14

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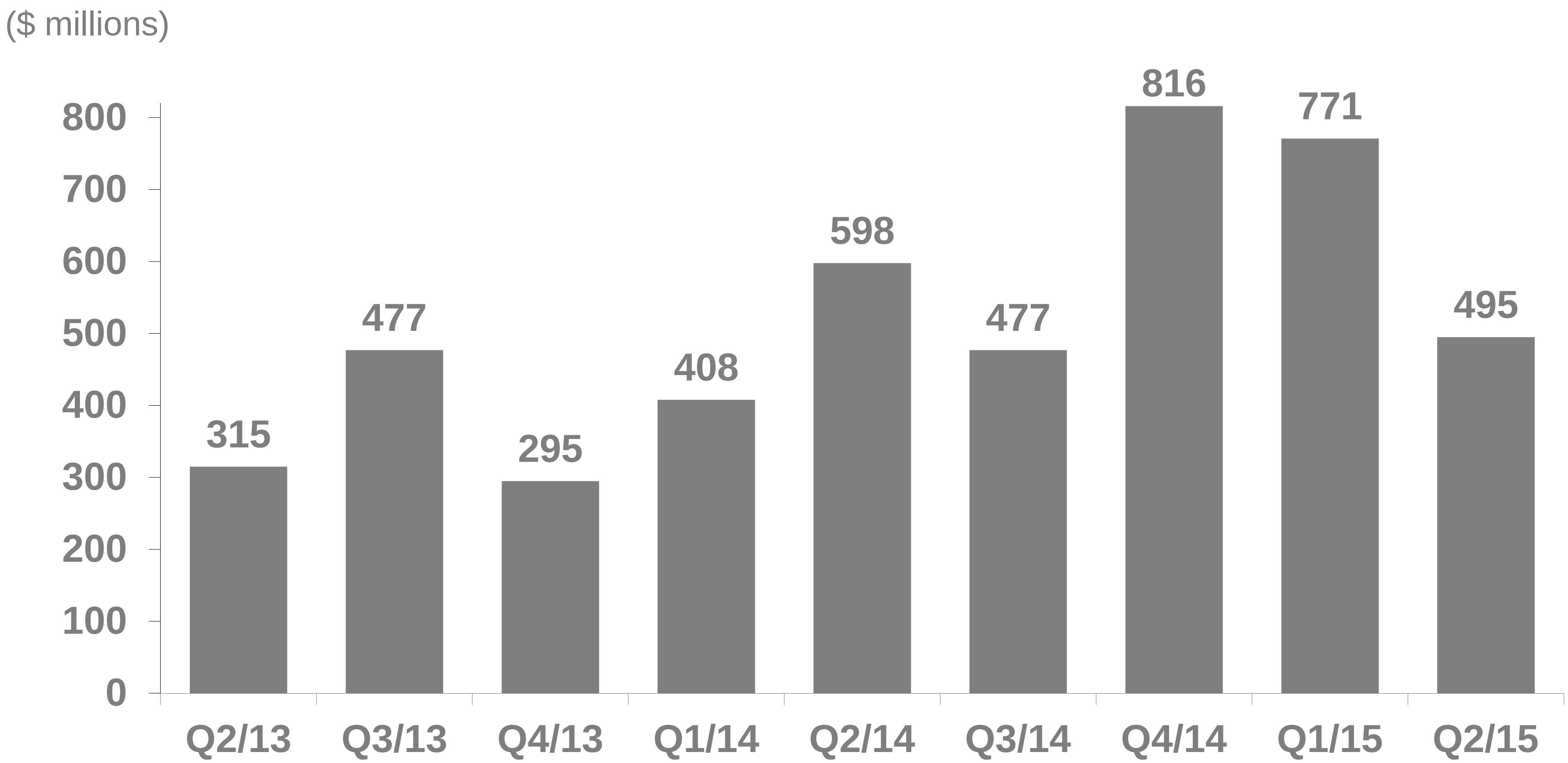
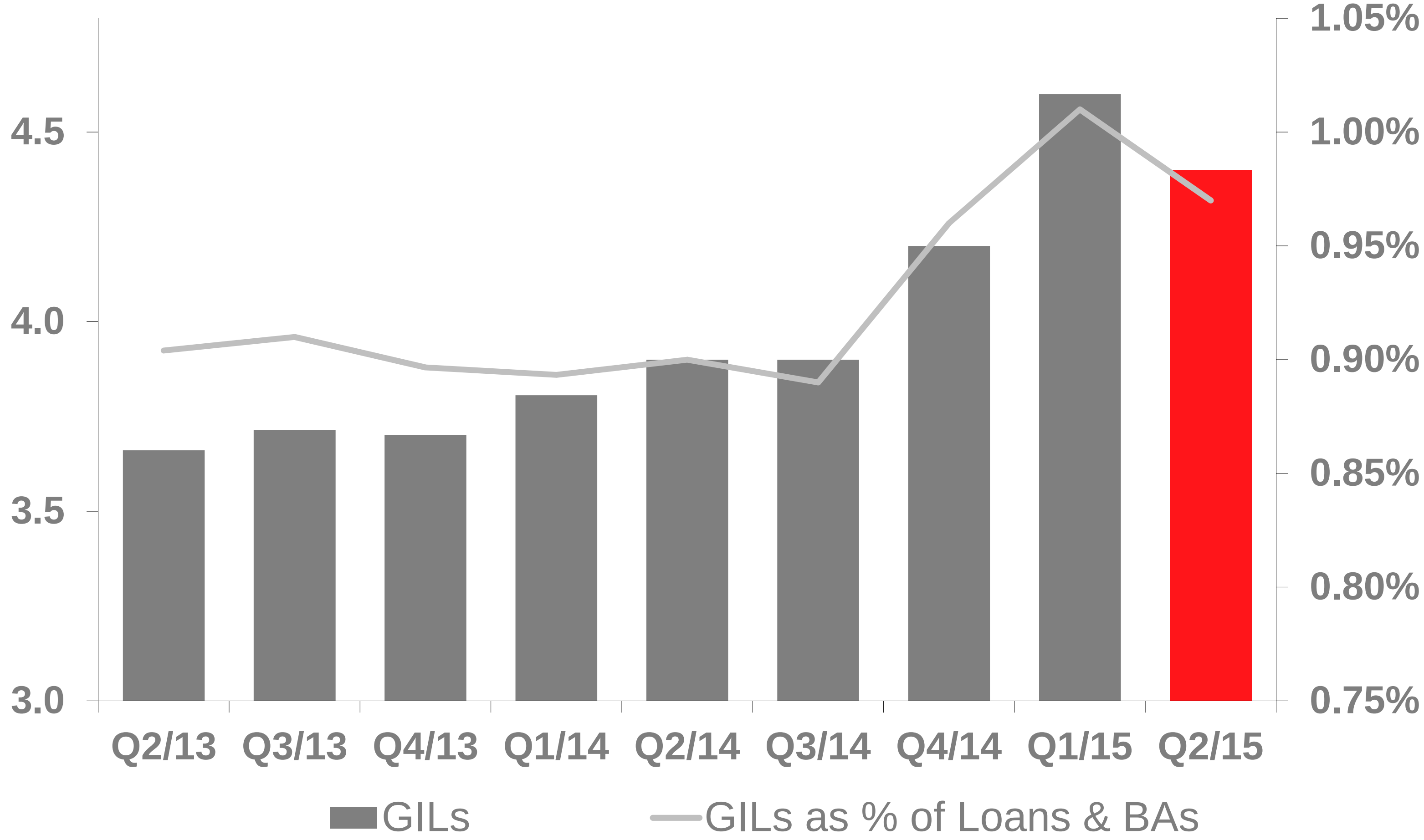
Net Formations of Impaired Loans[1]



(1) Excludes Federal Deposit Insurance Corporation (FDIC) guaranteed loans related to the acquisition of R-G Premier Bank of Puerto Rico

Gross Impaired Loans[1]

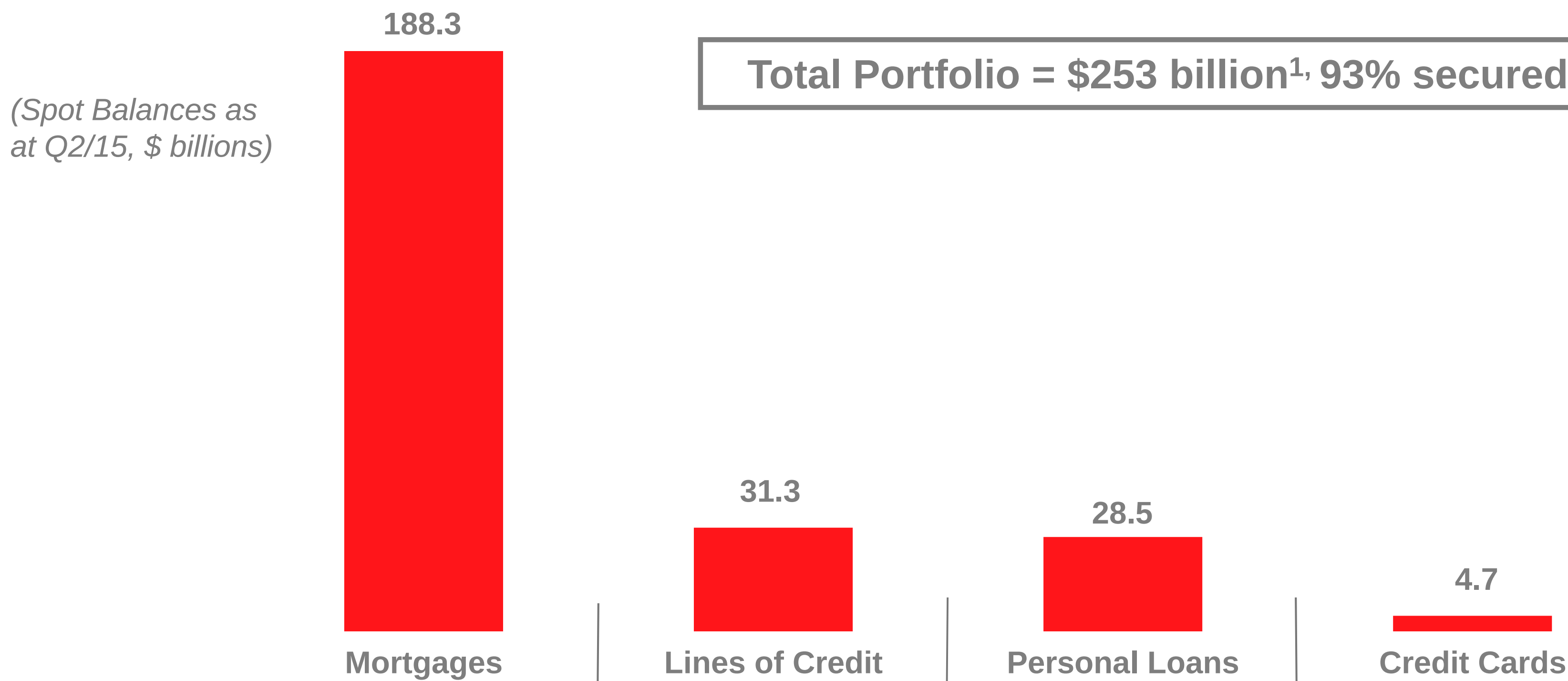
($ billions)



(1) Excludes Federal Deposit Insurance Corporation (FDIC) guaranteed loans related to the acquisition of R-G Premier Bank of Puerto Rico

Canadian Banking Retail: Loans and Provisions

Total Portfolio = $253 billion[1], 93% secured[2]



PCL	Q2/15	Q1/15	Q2/15	Q1/15	Q2/15	Q1/15	Q2/15	Q1/15
$ millions	3	3	47	49	63	60	44	42
% of avg. loans (bps)	1	1	62	63	90	86	383	361

(1) Includes Tangerine balances of $17 billion
(2) 83% secured by real estate; 10% secured by automotive

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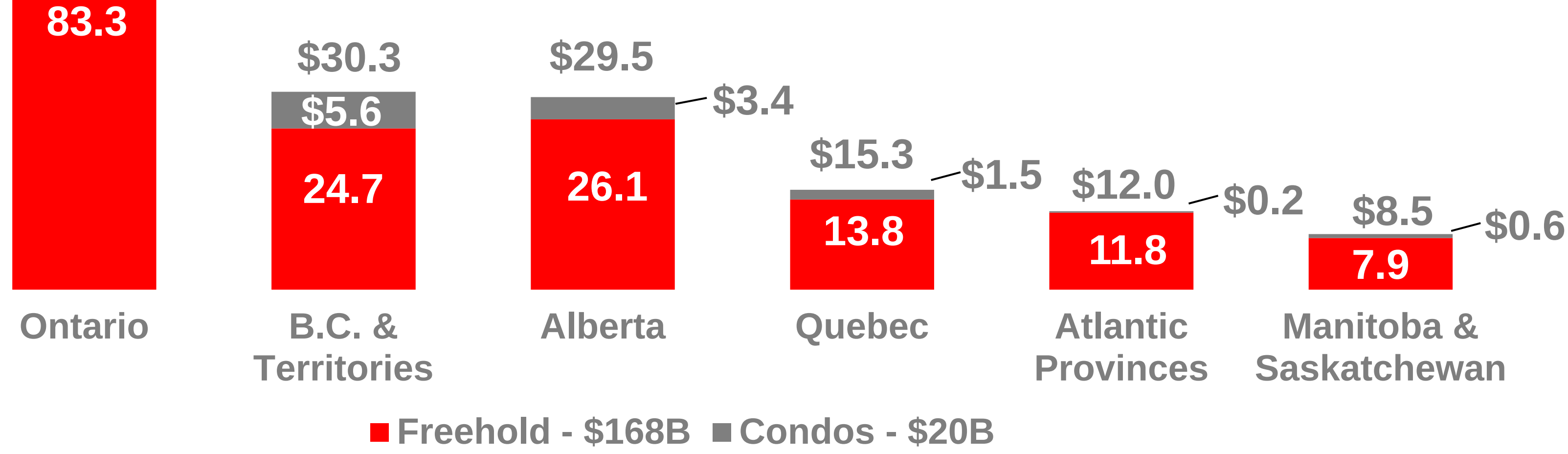
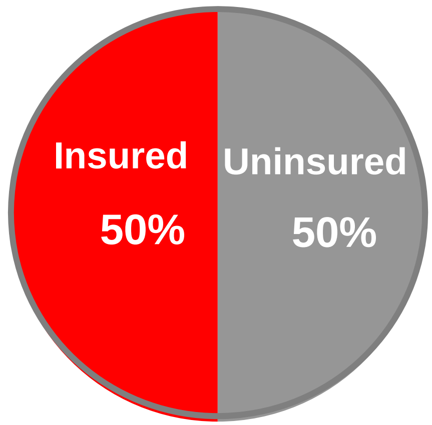
Canadian Residential Mortgage Portfolio

(Spot Balances as at Q2/15, $ billions)



Total Portfolio: $188 billion



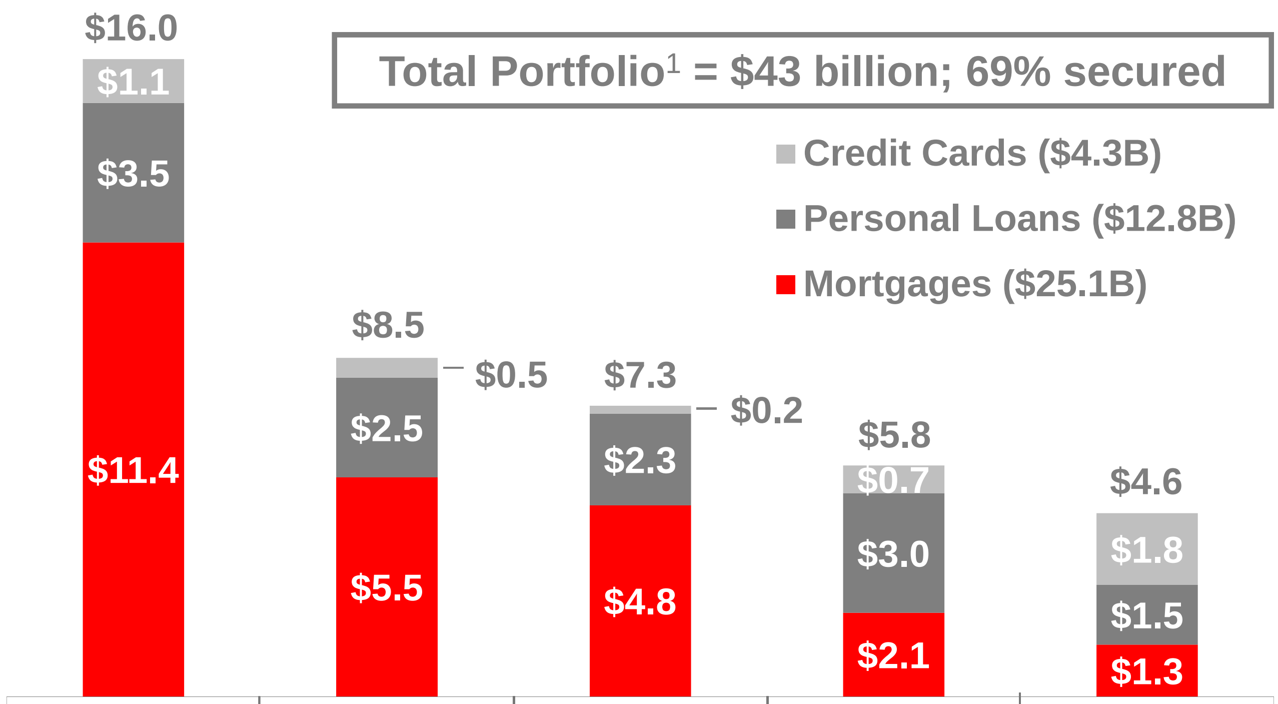
Average LTV of uninsured mortgages is 53%[1]

(1) LTV calculated based on the total outstanding balance secured by the property. Property values indexed using Teranet and CREA data
(2) Some figures on bar chart may not add due to rounding

International Retail Loans and Provisions

(Spot Balances as at Q2/15, $ billions[1])

Total Portfolio[1] = $43 billion; 69% secured



	C&CA		Mexico		Chile		Peru		Colombia	
PCL[1]	Q2/15	Q1/15	Q2/15	Q1/15	Q2/15	Q1/15	Q2/15	Q1/15	Q2/15	Q1/15
$ millions	41	34	59	76	15	15	51	59	65	53
% of avg. loans (bps)	105	91	271	355	86	89	361	429	614	509[2]

(1) Total Portfolio includes other smaller portfolios
(2) Includes the benefits from the Colpatria credit mark. Excluding the credit mark, the ratio would be 594 bps for Q1/15.

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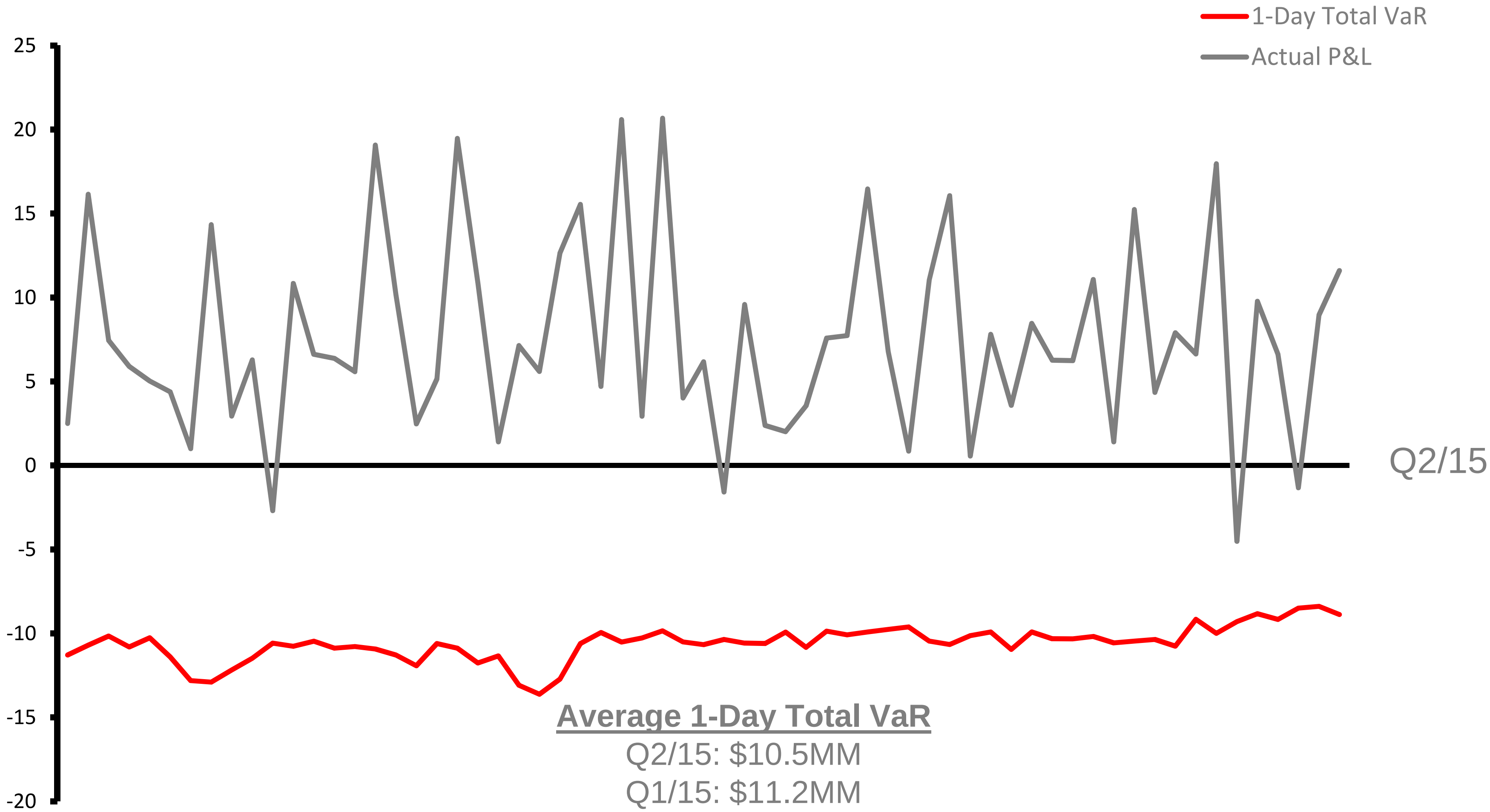
Q2 2015 Trading Results and One-Day Total VaR

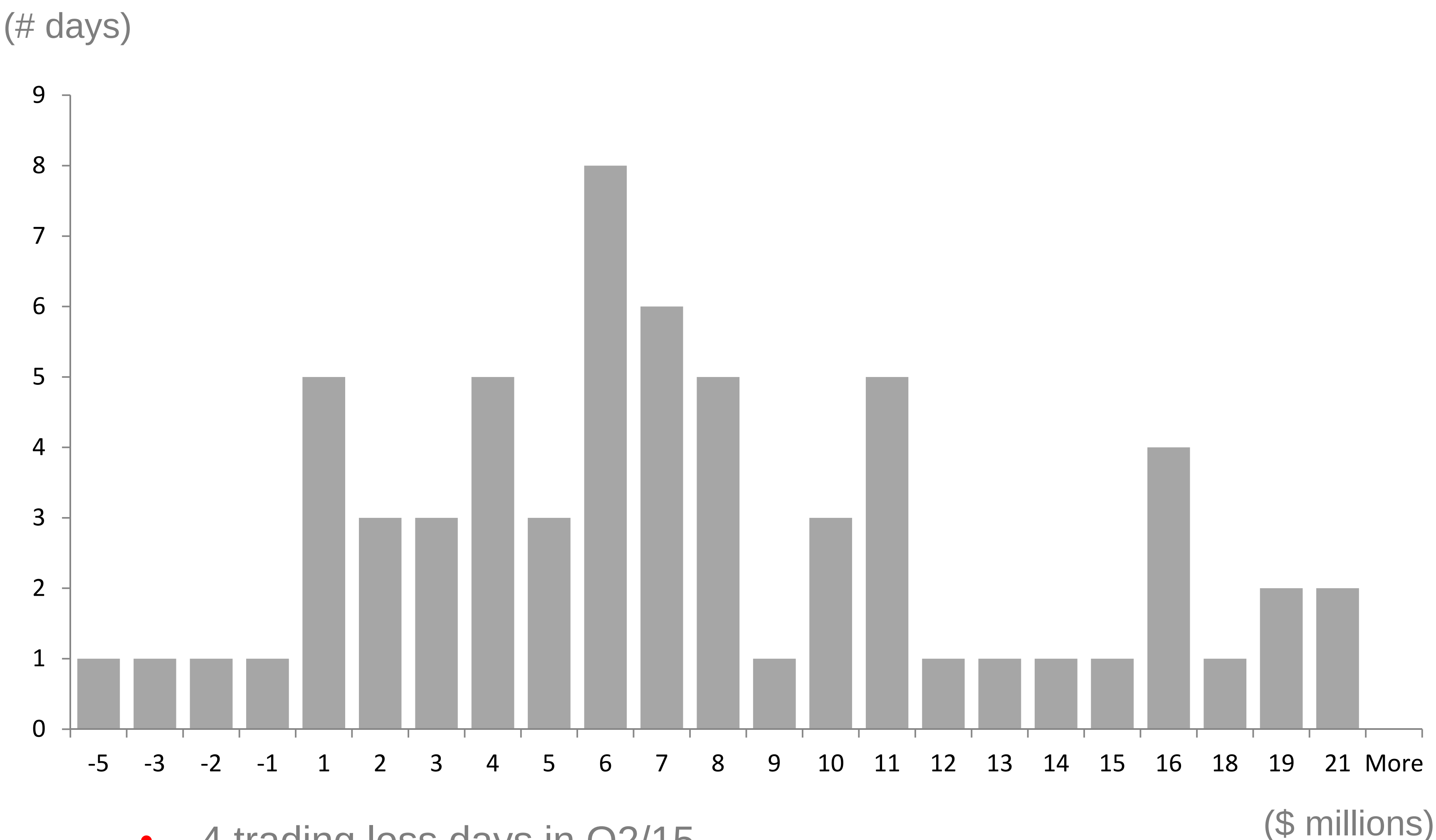
($ millions)



Average 1-Day Total VaR

Q2/15: $10.5MM
Q1/15: $11.2MM
Q2/14: $18.1MM

Q2 2015 Trading Results and One-Day Total VaR



- 4 trading loss days in Q2/15

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Notable Items - Q4/14

($MM)	Pre-tax	After-tax	EPS Impact
Restructuring charges	**(148)**	**(110)**	**($0.09)**
Provisions for credit losses			
Unsecured bankrupt retail accounts in Canada	(62)	(46)	
Valuation adjustments			
Funding valuation adjustment	(30)	(22)	
Revaluation of monetary assets in Venezuela	(47)	(47)	
Legal provisions	(55)	(40)	
Total – Notable items	**(342)**	**(265)**	**($0.22)**

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