

SCOTIABANK OMBUDSMAN

Scotiabank's Office of the Ombudsman saw the number of cases we handled in fiscal 2015* increase by 10%. We opened (630 cases) and closed (625 cases) more cases than ever before. While the number of investment complaints dropped slightly, banking complaints rose by 15%. Once again, complaints from small businesses accounted for a small percentage (less than 3%) of the Investigations opened this year with the remainder coming from retail clients.

We believe that one of the reasons for the increase in the number of complaints received in our office again this year is Scotiabank's on-going commitment to ensure that its clients are aware of each step in the complaint process and are encouraged to escalate their complaint to the next step if they are not satisfied with the resolution they receive.

Our office attempts to mirror this commitment to transparency by providing as much information as possible about our work in the following reports. We think this transparency is an essential aspect of our role as an independent and impartial arbiter.

*Fiscal 2015 ran from November 1, 2014, to October 31, 2015.



Two-Year Comparative Statistical Charts

Contacts by Type

The total number of contacts dropped modestly this year. The cases opened by our office (Investigations, Out of Mandate Cases and Withdrawn cases) rose from 31% to 37% of the total. Sundry Contacts (mainly inquiries about the Scotiabank complaint process) also rose slightly, from 29% to 31%, while cases Referred to the appropriate area of Scotiabank and Copies sent to our office dropped significantly from 40% to 32%.

2015 %	# Cases		# Cases	2014 %
31%	570	Sundry Contacts	543	29%
28%	524	Investigations	456	24%
23%	429	Referred to appropriate area of Scotiabank	499	26%
9%	172	Copies sent to Ombudsman	272	14%
6%	106	Out of Mandate Cases	116	6%
3%	59	Cases Withdrawn	21	1%
100%	1860	TOTAL	1907	100%

Two-Year Comparative Statistical Charts

Product

The first four Product categories on the following chart accounted for 80% of our complaints in fiscal 2015.

Mortgages remained our highest category and more than 50% of mortgage-related complaints centred on prepayment charges. The main issues connected to Deposit Accounts were frauds (phishing, employment and other computer internet scams) and service fees, each accounting for more than 20% of the total.

Investments and Credit Cards tied for the third highest category. The majority of Investment complaints came from the full-service brokerages (Scotia McLeod and Hollis Wealth) and most involved suitability claims. There were various issues related to Credit Card complaints but frauds and unauthorized transactions accounted for almost half of these cases.

2015 %	# Cases		# Cases	2014 %
29%	150	Mortgages	126	28%
18%	93	Deposit Accounts	79	17%
17%	87	Investments	92	20%
17%	87	Credit Cards	74	16%
11%	59	Loans	44	10%
6%	32	Debit Cards	26	6%
1%	8	Insurance	9	2%
1%	5	Safety Deposit Box	2	>1%
>1%	2	Forex/Precious Metals	4	1%
>1%	1	Student Loans	0	0%
100%	524	TOTAL	456	100%

Two-Year Comparative Statistical Charts

Reason

For each of the three years that we have been reporting on the Reasons for our complaints, Policy and Service/Operational have accounted for more than 70% of our cases. While the overall percentage of these two areas remained fairly consistent in fiscal 2015, Service/Operational increased this year while Policy decreased. Classifying cases in these two categories can be subjective but we have found no specific reason for this shift.

	2015 %	# Cases		# Cases	2014 %
	51%	265	Service/Operational	150	33%
	25%	131	Policy	173	38%
	9%	50	Compliance	44	10%
	8%	40	Service/Staff	47	10%
	5%	26	Credit	25	5%
	1%	7	Privacy	10	2%
	1%	5	Statements/Documents	7	2%
	100%	524	TOTAL	456	100%

Two-Year Comparative Statistical Charts

Geographic Breakdown

The geographical breakdown of our cases has remained relatively stable over the years with Ontario (including the GTA) usually making up about 60% of our cases. Although we can see no specific reason for it, the GTA experienced a significant increase in fiscal 2015 but the overall Ontario number remained just under 60%. British Columbia, New Brunswick and Saskatchewan all saw significant increases as well. Only Quebec and Manitoba experienced substantial decreases.

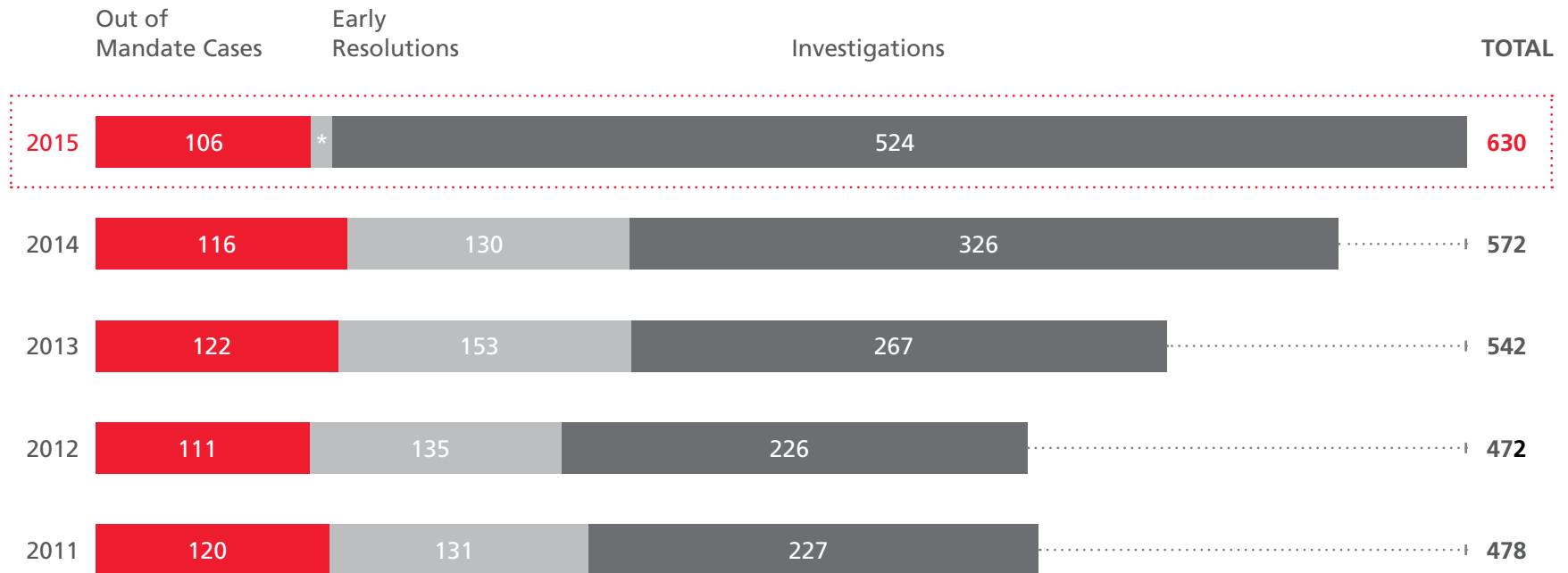
2015 %	# Cases		# Cases	2014 %
36%	191	Greater Toronto Area*	141	31%
23%	121	Other Ontario	121	27%
12%	64	British Columbia	47	10%
9%	47	Quebec	55	12%
9%	46	Alberta	48	11%
3%	16	New Brunswick	8	2%
3%	14	Nova Scotia	13	3%
2%	11	Saskatchewan	6	1%
1%	7	Manitoba	12	2%
1%	6	Newfoundland & Labrador	5	1%
>1%	1	Prince Edward Island	0	0%
100%	524	TOTAL	456	100%

*The Greater Toronto Area is made up of the city of Toronto and the four Regional Municipalities that surround it (Durham, Halton, Peel and York).

Five-Year Comparative Statistical Charts

Cases Opened

In fiscal 2015, we opened more cases than ever before as our overall volumes increased by 10%. This is the fourth consecutive year of increases. Out of Mandate cases decreased slightly while Investigations increased 15%. To establish consistency in our approach and in line with the process used by our peers, we eliminated the Early Resolution category this year and now classify all cases as Investigations.

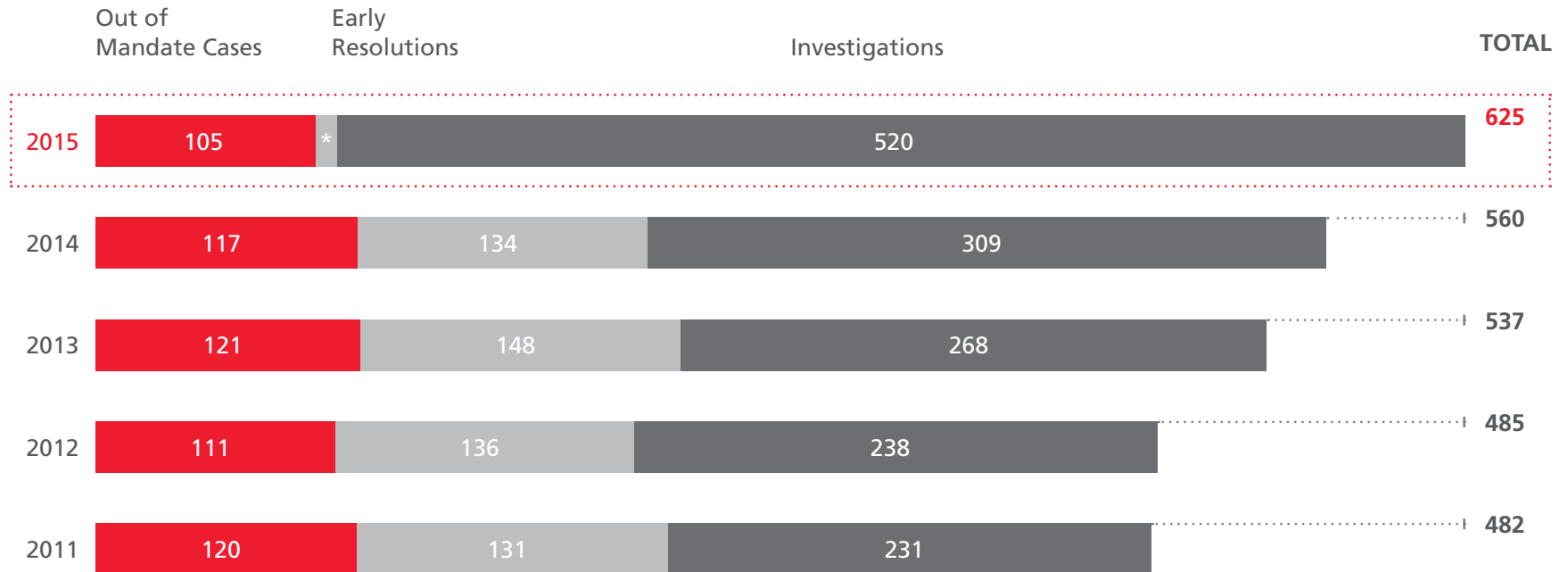


*In F2015, we eliminated the Early Resolution category and treated all cases as Investigations.

Five-Year Comparative Statistical Charts

Cases Closed

We closed a record number of cases this year, the ninth consecutive increase. Similar to the number of cases opened, the Out of Mandate cases closed were down about 10% and the Investigations closed were up about 15%.

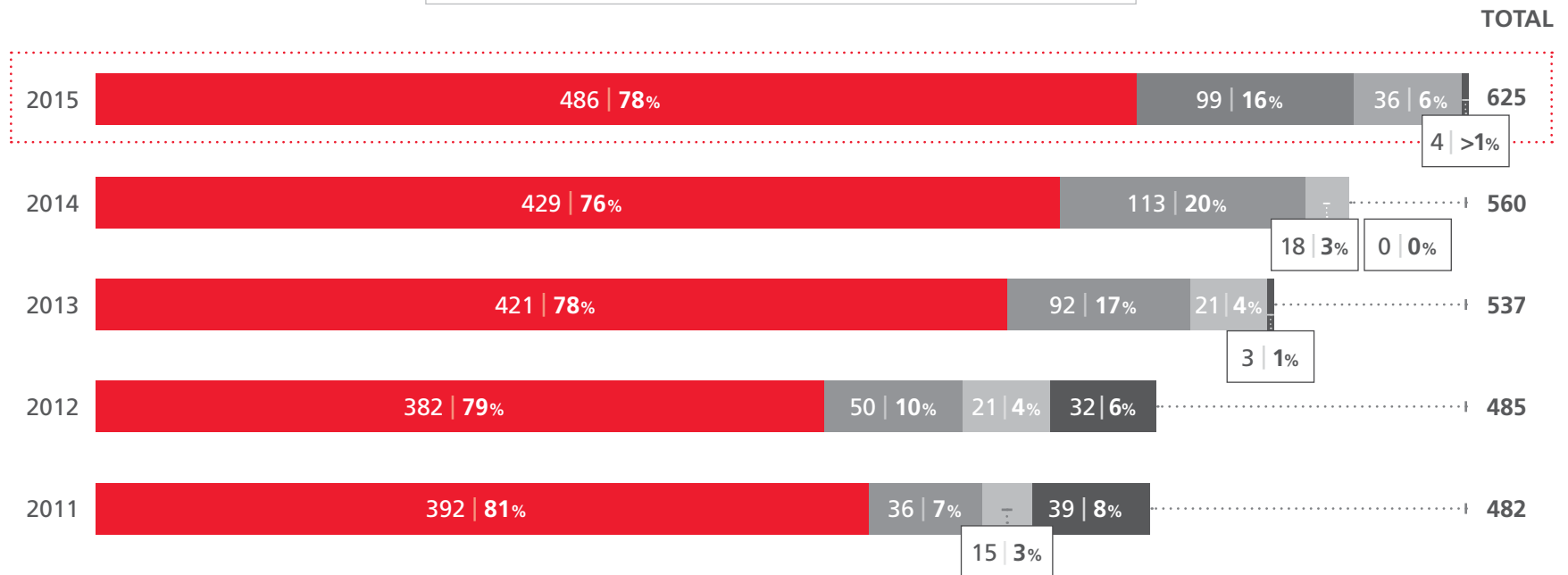
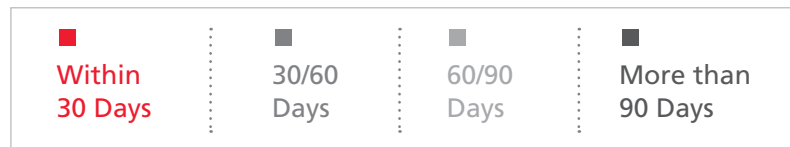


*In F2015, we eliminated the Early Resolution category and treated all cases as Investigations.

Five-Year Comparative Statistical Charts

Time to Conclusion

Despite the number of cases increasing for nine straight years, we have managed to keep the percentage of cases we closed within 30 days above 75% (our goal). While we increased our resolutions within 30 days from 76% to 78% this year, the percentage of cases closed within 60 days dropped from 96% to 94%. After having no cases take longer than 90 days last year, we had four cases take more than 90 days this year.



Five-Year Comparative Statistical Charts

Investigation Outcomes

By way of explanation of the chart below, Agreement Reached indicates that we accepted the resolution requested by the client and partial agreement indicates that our recommendation was for less than the client requested. No agreement reached indicates that we supported the position taken by Scotiabank in the dispute. The percentage of clients with whom we reached Agreement or Partial Agreement rose from 34% to 38%, the highest in four years.

