SCOTIABANK

KEYCORP INVESTMENT CONFERENCE CALL

August 12, 2024

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Additional information relating to the Bank, including the Bank's Annual Information Form, can be located on the SEDAR+ website at www.sedarplus.ca and on the EDGAR section of the SEC's website at www.sec.gov.

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John McCartney – The Bank of Nova Scotia – SVP of IR

Good morning, and thank you for joining us on short notice. My name is John McCartney, and I'm Head of Investor Relations here at Scotiabank. The purpose of our call today is to review in more detail the investment in the bank announced earlier this morning. The bank has entered into an agreement to purchase an approximate 14.9% equity interest in KeyCorp, a leading US regional bank, for approximately USD2.8 billion.

Here to discuss the transaction this morning are Scott Thomson, Scotiabank's President and Chief Executive Officer; and Raj Viswanathan, our Chief Financial Officer. Following our prepared remarks, we will be glad to take your questions. Before we start and on behalf of those speaking today, I'll refer you to slide 2 of our presentation, which contains Scotiabank's caution regarding forward-looking statements.

With that, I will now turn the call over to Scott.

Scott Thomson - The Bank of Nova Scotia – President & CEO

Thank you, John, and good morning, everyone. We are excited to share with you this important development in furtherance of our long-term strategic agenda to increase our capital deployment in one of our identified key priority markets.

Today, the bank has entered into a definitive agreement to acquire a minority equity interest in KeyCorp, one of the largest US regional banks with operations across 15 states, with a well-established and diversified commercial banking business supported by a complementary middle market-focused capital markets and advisory practice as well as a growing wealth management platform.

In terms of fit with our strategic agenda, recall that over the course of 2023, our leadership team conducted a thorough review of each of our businesses, which resulted in a renewed vision and strategy for the bank. One of the core pillars of our renewed strategy identifies the opportunity to build scale through disciplined capital allocation in our priority markets. We remain focused on increasing the amount of capital we deploy to the developed markets in which we operate.

We were clear at our Investor Day last December that our unique North American footprint is a competitive advantage that we can further leverage to offer differentiated cross-border capabilities and connectivity to existing clients of the bank. We view this investment as an important early step toward this longer-term vision, but also one that is accretive to our near-term profitability with attractive financial returns on a capital-efficient structure that Raj will speak to in detail.

As a top-tier Canadian bank, a top-5 bank in Mexico, and a leader in the Caribbean, we have been clear that an enhanced US presence will be necessary over time to fully execute on our North American vision. We have also indicated our intention to allocate capital with a bias to increasing our geographic mix to our more developed markets, with further investments at home in Canada, followed by the US, and thirdly, Mexico, to ensure we are positioned to benefit from the growth trends we see across the North American corridor.

Including the impact of this transaction, the US will become our second largest market from an earnings perspective, with approximately 75% of the bank's total earnings coming from Canada, the US, and Mexico. Through this process, we've had the opportunity to thoroughly review KeyCorp's businesses and meet with our management team and believe there is a strong cultural fit between our teams.

I'm very excited about this investment, in particular, as Scotiabank and KeyCorp share very similar growth ambitions, aligned with our strategic priorities. KeyCorp is a top-15 US bank with a presence in 15 states and have approximately USD187 billion in assets, with a strong commercial franchise driving approximately 75% of earnings. In addition, Key's consumer business is a deposit-led franchise acutely focused on driving deeper client relationships. Notably, it's strong consumer deposit base contributes 59% of total deposits.

As part of this investment, we look forward to exploring mutually beneficial strategic opportunities in the future. I want to be clear that we remain committed to our organic growth strategy and delivering on our medium-term financial objectives we communicated at our Investor Day in December. We view this investment as incremental to our organic commitments and believe this investment adds longer-term optionality to our North American growth agenda while providing near-term earnings and capital accretion to the bank.

With that, I will pass it to Raj to discuss the transaction structure in more detail.

Rajagopal Viswanathan - The Bank of Nova Scotia - Group Head & CFO

Thank you, Scott, and good morning, everyone. I'll start on slide 4 of the presentation and walk you through the transaction structure in a bit more detail.

This strategic investment will result in the bank holding approximately 14.9% of KeyCorp's pro forma shares. The total cash consideration is expected to be approximately USD2.8 billion or about CAD3.9 billion for common shares issued by KeyCorp at 11% premium to the 20-day VWAP.

The investment will be executed in two stages, subject to receipt of regulatory approvals and clearances. The issuance price is fixed at $17.17 per share for both stages of the transaction. The initial investment will see us acquiring a 4.9% ownership and is expected to close in the fourth quarter of fiscal 2024.

The second investment will increase our ownership of KeyCorp to approximately 14.9% and is expected to close in fiscal 2025. At this time, we also acquired the rights to appoint two members to the Board of KeyCorp.

So let me address the earnings benefit and the related capital impact for each stage of the investment. As Scott mentioned, the returns on the approximately 14.9% are very attractive in a highly capital-efficient transaction. The investment, when completed, will contribute approximately CAD300 million to CAD350 million in the first fiscal year after closing. Importantly, the investment will be accretive to our medium-term financial objectives of EPS growth, return on equity, and positive operating leverage while continuing to maintain a strong capital ratio.

From an accounting perspective, the 4.9% ownership will be recorded as an investment, with changes in fair value recorded through other comprehensive income. Dividends received during this period will be recorded in the income statement. The CET1 impact of this investment will be approximately 10 basis points in the fourth quarter of this fiscal year. Upon completion of the additional investment, the bank will apply the equity method of accounting to the entire investment and recognize a pro rata share of KeyCorp's earnings on a go-forward basis.

Based on current earnings expectations for KeyCorp, we expect this to be in the range of approximately CAD300 million to CAD350 million per annum and add approximately $0.25 to the bank's earnings per share in 2026. From a regulatory capital perspective, the entire investment of approximately CAD3.9 billion will be treated as a significant investment in financial institutions.

Recall, investments that are below 10% of the banks see in Q1 after all deductions are risk-weighted at 250%. The regulatory capital rules require that goodwill included in the valuation of the significant investment we deducted from CET1 capital and the remaining consideration will be treated within the significant investment in financial institutions bucket, attracting a modest 250% risk weight.

We estimate the additional impact of the bank's CET1 ratio will be approximately 40 to 45 basis points for the combined impact of roughly 50 to 55 basis points. With our strong capital position, including the pro forma impact of this investment, the bank intends to suspend the discount on the DRIP effective following the dividend, expected to be declared on August 27, 2024. Consequently, that will be the last dividend that will be eligible to participate in the DRIP discount.

We are very excited about the investment as it is expected to generate near-term attractive returns while creating future optionality for the bank in the North American corridor.

That concludes our formal remarks. We'd be pleased to take your questions. Operator, may we have the first question, please?

QUESTIONS AND ANSWERS

Operator

Ebrahim Poonawala, Bank of America.

Ebrahim Poonawala - BofA Securities, Research Division - MD of United States Equity Research & Head of North American Banks Research

Good morning. I guess maybe, Scott, for you, I think the question that come up this morning is, the rationale for this transaction relative to maybe Scotia had excess capital, why not use that towards buying back your own stock, given where it's trading. So if you don't mind, just -- as a shareholder of Scotia, remind me what shareholders have gained for what seems like a relatively passive investment for now or for the foreseeable future? If you could please start there.

Scott Thomson - The Bank of Nova Scotia – President & CEO

Sure. Thanks. Why don't I start on the overall rationale and benefit to our shareholders, and then Raj can talk about in comparison to share repurchases. .

So first, as you think about the strategic agenda, moving capital from developing markets to developed markets is a huge part of building out this North American corridor. And through that process, we spent a lot of work thinking about the US, and Key was a great company that we had highlighted, complementary to our wholesale capital markets business, wholesale business, strong commercial franchise, growing wealth business and, frankly, a great team, cultural fit, and I had the opportunity to spend a lot of time with Chris and his team. So aligned with -- as we deploy capital into that North American corridor and finding a partner to do that with.

Second, I'd say that there's attractive financials associated with this deployment of capital, given the capital efficiency. And Raj talked about that, that it results in returns of -- in excess of 20% for our shareholders, which is just very attractive. Three, we get Board seats out of this, which will allow us to participate in the oversight of Key, but also learn as we've deployed this capital. And then lastly, it's a low-risk, low-cost optionality in North America.

And so when I put all those things together, I do think it's -- not only a financial near-term benefit to our shareholders, but it does create this optionality and strategically aligned with the North American corridor.

Rajagopal Viswanathan - The Bank of Nova Scotia - Group Head & CFO

And Ebrahim, on the analysis, obviously, we did multiple analyses, including why would we deploy 50 basis points if we could buy back our stock, the question that you directly asked. Some of the easy numbers to look at, Ebrahim, is if we bought back our stock, certainly, it will be accretive, somewhere between $0.20 to $0.22 of EPS, again, a $0.25-plus, which we believe is actually a conservative estimate of the contributions to the earnings. .

But I also think more importantly, the optionality that this investment creates. We want to grow the bank. We want to grow the bank in the areas that we talked about at the Investor Day, and the US is a key component of our strategy. This adds us well on the path to executing on that, and it shows that we can increase earnings power of the company.

So to us, this felt definitely as a much attractive option, apart from all the reasons that Scott talked about from a strategic perspective. So this, we believe, is financially very accretive as well.

Ebrahim Poonawala - BofA Securities, Research Division - MD of United States Equity Research & Head of North American Banks Research

Got it. And I agree, I think the strategy is consistent when doing more in the US. I guess maybe, Scott, on the strategy front, like the only -- outside of Scotia at some point buying the entirety of the bank and not that you're proposing that today, I'm just trying to think about what combinations have worked in financials. The other thing that comes to mind is Morgan Stanley -- MUFGA, where you have a large holder, and that partnership worked out for both parties.

As we think about the strategy and growth like -- if you don't mind, how quickly do you think or do you see yourself prepared to act like -- it feels like there's a lot to be done on commercial lending, capital markets between what Scotia already does, what Key already does in putting that together. But I would love to hear your thoughts, at least in terms of how you are thinking about the strategic alignment of the two companies.

Scott Thomson - The Bank of Nova Scotia – President & CEO

Yeah. So I mean, I think the areas that we could explore in the future, there's obviously -- I've talked a lot about wealth and that interconnectivity across the international markets and Canadian markets, talked about commercial, we've talked about the importance of payments and then the complementary nature of our GBM businesses.

So they're middle market focused. We're more corporate investment-grade focused. So you can see that there's a lot -- and then culture, great culture a bit. But what I would like to reemphasize is financially, this is a great deal for us. And given that capital-efficient nature and the partnership, strategic collaboration, et cetera, will come over time. So that's something that we'll look at in the future.

And it's an obvious candidate to do that with, because of the geographical adjacencies, as well, I mean, if you put a footprint of the two companies with the adjacency relative to our Canadian bank is pretty significant.

So first and foremost, attractive financial acquisition -- a minority investment for our shareholders, and then we'll think about areas to collaborate with over time.

Ebrahim Poonawala - BofA Securities, Research Division - MD of United States Equity Research & Head of North American Banks Research

And if one last one, if I could, on the capital efficiency, you emphasized that, Raj, if I think about it purely very simplistically, should I think about we're getting CAD350 million earnings for USD2.8 billion capital that you're putting to work here?

Rajagopal Viswanathan - The Bank of Nova Scotia - Group Head & CFO

Yeah, I think so. I think that's the easy math, Ebrahim, or looking at it like 50 basis points of capital generating in the range of $350 million of earnings. If you just convert the $350 million of earnings, that is about somewhere about 8, 9 basis points of capital each year back to the payback that Scott was talking at the 20% level. Even if you look at it simplistically as an investment, the payback is like five years.

So that's how we look at it as saying financially accretive, low-risk entry approach from a capital deployment perspective into a market which we certainly believe is critical to us, makes a lot of sense.

Operator

Matthew Lee, Canaccord Genuity.

Matthew Lee - Canaccord Genuity Corp., Research Division - Analyst

Thanks for taking my question. Maybe just starting in terms of capital, it does feel like this transaction and the DRIP, maybe a signal to the Street that you're pretty comfortable with the position relative to Basel III endgame. Is that the right way to think about it? And maybe as a follow-on, does it preclude you or this transaction precludes you from doing a buyback program over the next couple of years?

Rajagopal Viswanathan - The Bank of Nova Scotia - Group Head & CFO

Yeah. It's a good question, Matthew. The whole thing was very attractive to us as we started realizing we have a better sightline of where the regulatory requirements are going. When we talked at Investor Day, obviously, we didn't know wherein the floors would be impacted. And we've seen the deferral that come through more recently. From obvious perspective, that helps.

The second thing is, of course, we probably have a little more certainty that the domestic stability buffer will remain stable. And OSFI has held it for some time, as you know. So that gives us a little more certainty about how to plan the future.

And we have taken very decisive actions as we think about how we want to deploy our capital to profitable relationships since we announced at the Investor Day, and we made some really good progress across our various businesses, GBM as well as our two P&C businesses to be very thoughtful. So that help to the capital accretion that we've built over a period of time. And now we feel like we're very comfortable doing a transaction of this size.

And as we look forward, definitely, depending on how the capital rules evolve, buybacks are always a tool in the toolkit at the appropriate time. But right now, we're thinking about how we can grow this bank, and this is a great opportunity to grow this bank.

And then there's also various other organic commitments that we made as part of the Investor Day, which will require capital. So those will be perhaps the first port of call at this time, but we never rule out buybacks. But we don't have any approval at this time, and it may not be in the short term.

Matthew Lee - Canaccord Genuity Corp., Research Division - Analyst

All right. That's helpful. I'll pass the line.

Operator

Paul Holden, CIBC.

Paul Holden - CIBC Capital Markets, Research Division – Executive Director of Institutional Equity Research

Yeah. A fairly straightforward question to start for Raj. That CAD300 million to CAD350 million of earnings, is that net of the cost of capital? And if it's not, how should we think about what you're giving up, I guess, would be effectively on investment income? Thank you.

Rajagopal Viswanathan - The Bank of Nova Scotia - Group Head & CFO

Yeah, it is net of cost of funds because it's a cash deal, Paul. So it's got the earnings pickup that we tried to use analyst estimates for KeyCorp at this time for '25 and '26 -- mostly '26, because we think we'll get a full sometime in '25. And then it's got the interest rate mark, which will come through.

Because as you know, when we do the equity accounting investment, we need to fair-value the entire company, which is KeyCorp, and then do the 15%. So there will be an interest rate mark that will equate back through P&L over time and of course, net of the funding costs that we have attributed to this transaction. So the net of it all will be in that range, we estimate.

And we'll provide better estimates as we perhaps get to the end of the year and beyond. This is like a -- based on external data that we have. And we believe it's a fairly conservative estimate, to be honest.

Paul Holden - CIBC Capital Markets, Research Division – Executive Director of Institutional Equity Research

Understand. Okay. That's helpful. And then second question, I guess, is more for Scott. I mean, look, you've already highlighted a number of reasons why you're attracted to KeyCorp. But I'm just curious in terms of the process you went through because it sounds like you approached KeyCorp, at least Scotia approached KeyCorp. Like I imagine it didn't start with a potential investment set of one. It started with a potential investment set looking at different regionals, but you really narrowed down on KeyCorp.

So maybe walk us through a little bit through that process? And how you arrived at KeyCorp as being the best option for Scotia?

Scott Thomson - The Bank of Nova Scotia – President & CEO

Yeah, that's great. Thanks for the question. So as you all recall, we went through a very intensive process with our investors, with our Board, with our management team to -- that culminated in the December Investor Day that we announced.

And part of going through that process was looking at the North American landscape. And as we went through that, the regional banks and saw which ones were attractive, which ones had a good fit, both culturally and business-wise, Key went to the top of that list.

And so I did each out to Chris a while back. And it's been fortunate that we've had lots of conversations since then. And so this has been a dialogue that's been ongoing, and we've had the opportunity to spend a lot of time with their team and do due diligence as well. And I come back to it's a great company, right? And you look at the adjacencies to the Bank of Nova Scotia, which are very strong, as you think about what I've been talking about in terms of continuing to grow that wholesale and capital markets business.

Remember, we're the tenth largest foreign bank in the US right now. We have a great corporate banking and capital markets business. but we're actually focused on a different segment than Key there in the middle market space.

As you hear me talk about commercial and the importance of commercial and you look at that commercial business of Key, which is 75% of the earnings, it's a very attractive and very low risk exposure to the real estate side. And then the wealth side, as you think about the wealth opportunity for the bank in Nova Scotia, we've talked about the need to have a US offshore booking point. And that's something that we continue to work on. But hopefully, over time, there's some partnership opportunities in that realm as well.

And then lastly and more importantly, these things work based on culture. And when I look at Key and what they have done, their focus on deposits, deposit-led consumer strategy, Chris' approach, which has been really helpful and frankly, their whole mantra when they think about go-to-market as primacy. And for us, primacy is what we've been talking about here. To see that cultural fit between the two organizations on primacy was very compelling.

Paul Holden - CIBC Capital Markets, Research Division – Executive Director of Institutional Equity Research

And i guess, that leads to my last question, which is on US wealth strategy, which has been discussed in the past. Should we view this sort of as the solution in adding the US wealth capabilities? Or is there a potential to do something more?

Scott Thomson - The Bank of Nova Scotia – President & CEO

Yes. No, this is a transaction with Key, which is important, but it's not exclusive. And so as we think about getting a wealth strategy, we will continue down that path because that's important for our clients. As we said here with Key, over time, we'll spend more time with Key at the right time, talking about areas to collaborate, but it is not an exclusive transaction for the Bank of Nova Scotia, and we'll continue to look at other opportunities as well.

Paul Holden - CIBC Capital Markets, Research Division – Executive Director of Institutional Equity Research

Got it. That's it for me. Thanks for your time.

Operator

Sohrab Movahedi, BMO Capital Markets.

Sohrab Movahedi - BMO Capital Markets Equity Research - MD of Financials Research

Good morning. Thank you for taking my questions. Maybe to start off with, the timing is always curious. What was so interesting about August 12 to make this announcement?

Scott Thomson - The Bank of Nova Scotia – President & CEO

Great question. I mean I think Chris and I have been in this dialogue for a long time. I think it was a great comment on both teams that we were able to keep this confidential, and you're always worried about leaks. And then frankly, the volatility in the market over the last couple of months, would say, has created desire on both teams just to get this announced.

And we think about this as 11% premium to the 20-day VWAP, and there's some highs in there and there's some lows in there, right? But that was the deal that Chris and I talked about. And so to get this done in a manner that was confidential and got it out before our earnings release in a couple of weeks, that was the desired approach. So no magic to August 12 other than trying to get it done sooner rather than later.

Sohrab Movahedi - BMO Capital Markets Equity Research - MD of Financials Research

Okay. And Scott, I think in response to the last question, you said, look, the tuck-in-type approach to wealth acquisitions in the US remain kind of part of the -- I guess, part of the playbook. But presumably, you -- your capital deployment, at least for now, is limited to getting this transaction done and I don't know, rebuilding the capital ratio to some level with some sort of a buffer to 12.5%.

Is that the right way to think about it? Like I'm just trying to understand what's the likelihood of another transaction in the next 12 months.

Scott Thomson - The Bank of Nova Scotia – President & CEO

Yes. Sorry, it's great. I should have -- as we were thinking about -- we've been thinking about wealth for a while, and the type of things that we've been thinking about there have been relatively small. And so that wouldn't be, in my mind at least, a meaningful impact on capital.

I think you're right. I mean I think we should be running this bank, as we said on our Investor Day, plus 12%. So you're in that kind of 12% to 13% range. Post this transaction, this keeps us well within this range. And I think as a bank, we've demonstrated the ability to continue to be thoughtful and growing in a disciplined fashion that CET1 ratio. So we're feeling very good from a capital perspective and have lots of flexibility going forward.

Sohrab Movahedi - BMO Capital Markets Equity Research - MD of Financials Research
Okay. And just one last question for me. Just not to pick on this too, too much, but I guess it does kind of help get a state of management mindset.

3.5 -- or call it, $350 million plus in earnings, $3.9 billion, call it, plus or minus 10%, 11% return on that capital, maybe it goes a little bit higher; I mean, this doesn't look overly accretive to the target of 14%, 15%? Or am I thinking about it the wrong way?

Rajagopal Viswanathan - The Bank of Nova Scotia - Group Head & CFO

Sohrab, it's Raj. I think the $3.9 billion or the $3.6 billion, as we called out, is not the capital, Sohrab. And I think that's the difference, it's the proceeds. The capital, if you translate the 50 to 55 basis points. That will be the right denominator to use, and you'll realize that the return on that capital that is consumed as regulatory capital is very high.

Scott Thomson - The Bank of Nova Scotia – President & CEO

20%-plus.

Sohrab Movahedi - BMO Capital Markets Equity Research - MD of Financials Research

Okay. So -- all right. So this -- so Raj, just to be crystal clear, this is indeed very much a financial transaction. I mean, it's hard -- I mean I think I listened to the Key call at 8:00 a.m. They position did very much as a financial transaction. And is that the right way to think about it from Scotiabank's perspective as well?

Rajagopal Viswanathan - The Bank of Nova Scotia - Group Head & CFO

I think in the short term, it's a very accretive financial transaction and will always be because of the significant investments bucket on the regulatory capital side. But I think the way we think about it is it creates a lot of optionality with a very strong regional bank.

So that's secondary at this time because we need to get approvals and prove certain things around before we determine what is the size of the price, but it's definitely just attractive on financial terms at the outset. And that, to us, was exceptionally important because we want this to generate capital and provide the appropriate returns on the capital that we're deploying.

Scott Thomson - The Bank of Nova Scotia – President & CEO

I mean the other way to think about it, if you think back a year ago, we had a Canadian Tire in the significant investment bucket and not overly strategic, and we were able to sell that at a very good proceeds, which left a significant investment bucket unutilized. So you want to have that utilized, given the favorable capital treatment, which drives the 20% type of return.

Here's an opportunity to have that financial attractiveness while also creating optionality for the North American corridor strategy. So I think it's a significant win for our shareholders, and it positions us to now have an enhanced footprint in North America as we think about growing out that North American corridor strategy.

Sohrab Movahedi - BMO Capital Markets Equity Research - MD of Financials Research

Okay. Thank you. Thank you for taking my questions.

Operator

Gabriel Dechaine, National Bank Financial.

Gabriel Dechaine - National Bank Financial, Inc., Research Division – Analyst

And my first question is on the Key call, we heard from them that Scott and you had been kind of reaching out to different banks for investment opportunities in the US shortly after he became CEO. I'm just wondering, what the rationale was for doing so early, I guess, in your tenure?

Scott Thomson - The Bank of Nova Scotia – President & CEO

I listened to the Key call, I didn't quite pick that up that comment. But nevertheless, I think what I said is what happened, which is as we went through the Investor Day and got aligned around the North American corridor, we obviously wanted to understand the footprint in the US And KeyCorp. was highlighted to us as something that was a very complementary fit for us. And so that's why the outreach to Key.

Gabriel Dechaine - National Bank Financial, Inc., Research Division – Analyst

Okay. And then another basic, simple question. How do you -- your day-to-day involvement, I assume it's going to be limited. You'll have some Board seats. But how do you advance a partnership -- what am I going to see, I guess, in terms of success rate on -- oh, the North American strategy is working? Like are you going to have more auto loans between Cleveland, Midwest and Mexico, something of that nature? I'm just trying to figure out how it enhances that strategy from execution standpoint.

Scott Thomson - The Bank of Nova Scotia – President & CEO

Yes. A couple of things. One, you're going to see Key be able to reposition their balance sheet and get more front-footed in terms of how they deploy their capital into the US, which I think will be very helpful for that bank. And the primary capital injection was -- that was on our minds, too, in terms of allowing them to be more successful. So that will be one proof point that you'll see.

I think the second proof point that you'll see as over time, in the future, there will be areas to collaborate, we're hopeful, around wealth, commercial and on the capital market side. And so we'll keep you updated on those that definitely will be post the closing of the second tranche, and we'll start to evaluate those, but something that you should definitely look for over time.

And Raj, anything else on that?

Rajagopal Viswanathan - The Bank of Nova Scotia - Group Head & CFO

Yes. And just from a financial perspective, Gabe, any number I quoted does not include any benefits attached to those. That simple to look (technical difficulty).

Gabriel Dechaine - National Bank Financial, Inc., Research Division – Analyst

Okay. And last one, just to sneak in there because you gave us your growth targets for the next few years at the Investor Day in December, no growth this year, 5 to 7, I believe, next year and then 7 to 8 beyond 2025. This deal doesn't change any of that? Or does it -- it's accretive? Does it enhance or will get updated at some point?

Rajagopal Viswanathan - The Bank of Nova Scotia - Group Head & CFO

No, it should enhance, Gabe, because those organic plans are still intact, and we expect to execute as we laid out at the Investor Day. This investment, depending on when we get Fed approval and so on, will be incremental to the earnings that we expected to generate based on our plan.

Gabriel Dechaine - National Bank Financial, Inc., Research Division – Analyst

Okay. Thank you.

Operator

That is all the time we had for questions. So back to you.

Rajagopal Viswanathan - The Bank of Nova Scotia - Group Head & CFO

Okay. Thank you very much. I want to thank everyone for participating in our call today, and I apologize to the three or four of you who, unfortunately, we couldn't accommodate on the call. We'd be able to take direct calls from you and answer your questions. And we look forward to speaking again at our Q3 call on August 27. Have a great day.
