ID23 The New Way Forward

Financial Overview

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Group Head and Chief Financial Officer

Forward-looking statements

From time to time, our public communications 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 (SEC), 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 2023 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," "aim," "achieve," "foresee," "forecast," "anticipate," "intend," "estimate," "plan," "goal," "strive," "target," "project," "commit," "objective," and similar expressions of future or conditional verbs, such as "will," "may," "should," "would," "might," "can" and "could" and positive and negative variations thereof.

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 and globally; 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; geopolitical risk; changes to our credit ratings; the possible effects on our business of war or terrorist actions and unforeseen consequences arising from such actions; technological changes and technology resiliency; 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; anti-money laundering; disruptions or attacks (including cyber-attacks) on the Bank's information technology, internet connectivity, network accessibility, or other voice or data communications systems or services; which may result in data breaches, unauthorized access to sensitive information, and potential incidents of identity theft; 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; inflationary pressures; Canadian housing and household indebtedness; the emergence or continuation of widespread health emergencies or pandemics, including their 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 2023 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 2023 Annual Report under the headings "Outlook", as updated by quarterly reports. The "Outlook" and "2024 Priorities" 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.sedarplus.ca and on the EDGAR section of the SEC's website at www.sec.gov.

Performance against 2020 Investor Day medium-term financial objectives

	2020 INVESTOR DAY MEDIUM-TERM FINANCIAL OBJECTIVES[1]	PERFORMANCE REPORTED	PERFORMANCE ADJUSTED
EPS growth	**7%+**	**(3.6)%** F19 to F23 CAGR	**(2.2)%** F19 to F23 CAGR[2]
Return on equity	**14%+**	**12.6%** F20 to F23 avg[3]	**13.2%** F20 to F23 avg[2]
Operating leverage	**positive**	**positive in 2 of last 4 years[3]**	**positive in 1 of last 4 years[2]**
Capital levels	**strong**	**13.0%** F23	

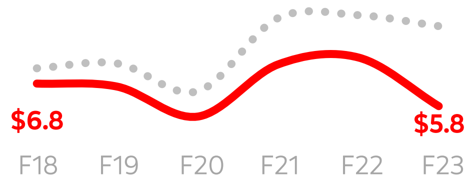
Go-forward strategy supports the Bank in achieving medium-term financial objectives

Note: For footnoted information refer to slides 20 and 21

Financial performance has lagged peers, impacting valuation

EARNINGS PER SHARE

Diluted

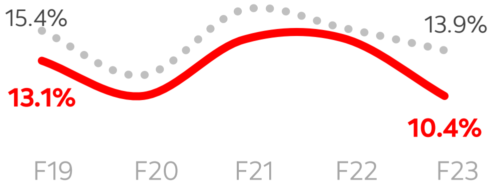


5-yr CAGR

-3.3%

4.7%

RETURN ON EQUITY

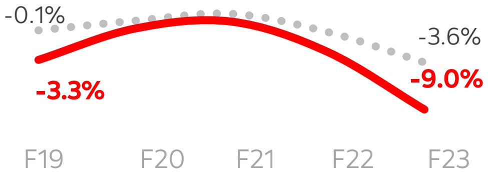


F19-F23 avg.

12.7%

14.8%

OPERATING LEVERAGE

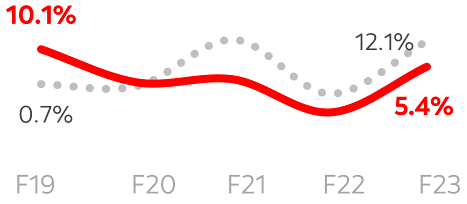


F19-F23 avg.

-2.7%

-0.2%

NON-INTEREST REVENUE GROWTH

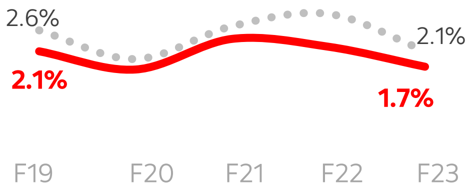


F19-F23 avg.

2.3%

4.8%

RETURN ON RISK WEIGHTED ASSETS

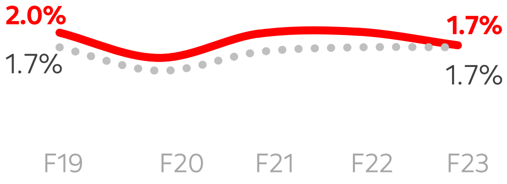


F19-F23 avg.

2.0%[1]

2.5%

RISK-ADJUSTED MARGIN



F19-F23 avg.

~1.85%[2]

~1.55%

Scotiabank   Peer average[3]

Note: For footnoted information refer to slides 20 and 21

The Bank took steps in F23 to strengthen the balance sheet – in support of our strategy and new way forward

		Q4 F23	COMPARISON
Deposit growth	▲ Grew total **P&C deposits** by	**9.3%**	from **~3.6%** in F22
	▼ Improved **loan to deposit ratio**[1] by	**600 bps**	from **116%** in Q4 F22
Funding	▲ Improved **net stable funding ratio** to	**116%**	from **111%** in Q4 F22
	▼ Reduced **wholesale funding ratio**[2] to	**20.6%**	from **21.6%** in Q4 F22
Liquidity	▲ Improved **liquidity coverage ratio** to	**136%**	from **119%** in Q4 F22
Allowance for credit losses	▲ Raised **allowance for credit losses** to	**0.85%**	from **0.71%** in Q4 F22
Capital	▲ Strengthened **CET1 ratio** to	**13.0%**	from **11.5%** in Q4 F22

COMMITTED TO MAINTAINING BALANCE SHEET STRENGTH AS THE FOUNDATION OF OUR STRATEGY

Note: For footnoted information refer to slides 20 and 21

Strengthened capital position

COMMON EQUITY TIER 1 CAPITAL

Q4/21	**12.3%**
Net earnings	175 bps
RWA growth	(75 bps)
Net share buybacks[1]	(30 bps)
Basel III adoption benefit[2]	56 bps
Other[3]	(56 bps)
Q4/23[4]	**13.0%**

MAINTAIN STRONG CAPITAL RATIOS

- **Strong capital ratio;** after absorbing the Q1/24 impact, CET1 is ~75 bps or ~$3.5Bn above current regulatory minimum
- **New capital rules** adopted in F23 contributed 56 bps; offset in Q1/F24 by ~30 bps FRTB and ~45 bps for floor increase
- Increased focus on **RWA optimization** and allocating capital to support higher internal capital generation

Note: For footnoted information refer to slides 20 and 21

The New Way Forward

Building on steps taken this year, the Bank's 5-year plan is focused on delivering enhanced returns

Maintain strong balance sheet

Maintain strong liquidity, funding, and capital position

~130%
LIQUIDITY COVERAGE RATIO

110 to 115%
NET STABLE FUNDING RATIO

Purposefully allocating capital

Growing priority businesses, where we generate highest returns (including capital light, fee-based businesses)

~90%
INCREMENTAL CAPITAL TO PRIORITY BUSINESSES

2%+
RISK-ADJUSTED MARGIN

Building for the future

Deliver productivity initiatives to the bottom line and create capacity for future investment

~50%
PRODUCTIVITY INITIATIVES SAVINGS REINVESTED IN PRIORITY BUSINESSES

~50%
PRODUCTIVITY RATIO

Medium-term financial objectives

Improving financial performance and return profile across businesses

>7%
EPS GROWTH

>14%
RETURN ON EQUITY

positive
OPERATING LEVERAGE

12%+
CET1 RATIO

Incremental capital is allocated to priority businesses

	PRIORITY BUSINESSES			
	Accelerate growth Prioritize investment to grow faster than market	**Core growth** Maintain momentum and continue operations in current businesses	**Manage growth** Selectively allocate capital within existing businesses	**Turnaround or exit** Focus on improving profitability and cost efficiency
F23 Capital[1]	~ 70%		~ 30%	
Incremental Capital[1]	~ 90%		~ 10%	
Incremental Earnings[1]	~ 90%		~10%	

Note: For footnoted information refer to slides 20 and 21

Shifting our focus to balanced risk-return

GO-FORWARD FOCUS ON BALANCED RISK-RETURN

- Redeploy capital to **higher-return businesses** and **developed markets**
- Strengthen focus on **deeper client relationships** with higher credit quality
- Drive growth in **higher risk adjusted margin portfolios**

NON-FINANCAL RISK MANAGEMENT

- Increasing investment in fraud, cyber, and technology **to protect the Bank and our clients**
- Prudent risk management mindset: **investing in talent** across our lines of defense
- Mitigate operational risk by increasing **digitization and automation** in the end-to-end client lifecycle

STRATEGIC METRICS

ACL coverage to remain strong
with lower net write-offs versus pre-pandemic run-rate

2%+ risk-adjusted margin
~1.7% in F23[1]

Note: For footnoted information refer to slides 20 and 21

The Bank is investing in priority businesses to drive growth – funded by savings generated through productivity initiatives

PRODUCTIVITY INITIATIVES

The Bank is executing productivity initiatives
to generate efficiencies and run-rate cost savings –
to **reinvest in priority businesses to fund future growth**

~50% reinvested in priority businesses

~50% productivity ratio ambition over the medium-term

KEY INVESTMENT AREAS

GLOBAL MUST-WIN PRIORITIES

- Unlock **Retail deposits, investments and client primacy**
- Heighten focus on **Mexico Commercial**
- Expand **Cloud capabilities**
- Enhance **payments and cash management** solutions
- Pursue thoughtful **productivity and efficiency initiatives**

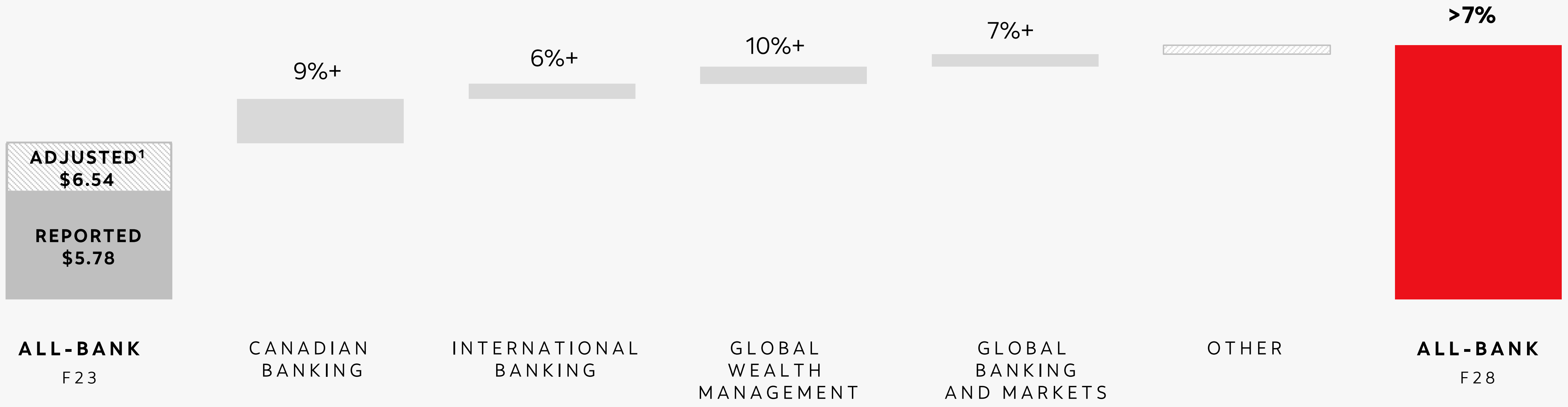
PROTECT

- Enhancing Technology and Risk **infrastructure**

Achieve **positive operating leverage**

We project strong growth across Business Lines over the medium-term

ADJUSTED DILUTED EARNINGS PER SHARE GROWTH



OTHER SEGMENT

- F24 Other segment expected to be in line with F23
- Other segment to normalize over the medium-term, with improvements driven by interest rate reductions, ongoing loan repricing at higher rates and improvements in the wholesale funding ratio
- Investment gains, which were muted in 2023, are expected to improve but trend lower than historic levels

Note: For footnoted information refer to slides 20 and 21

The Bank's go forward strategy is improving return on equity while absorbing incremental regulatory capital requirements

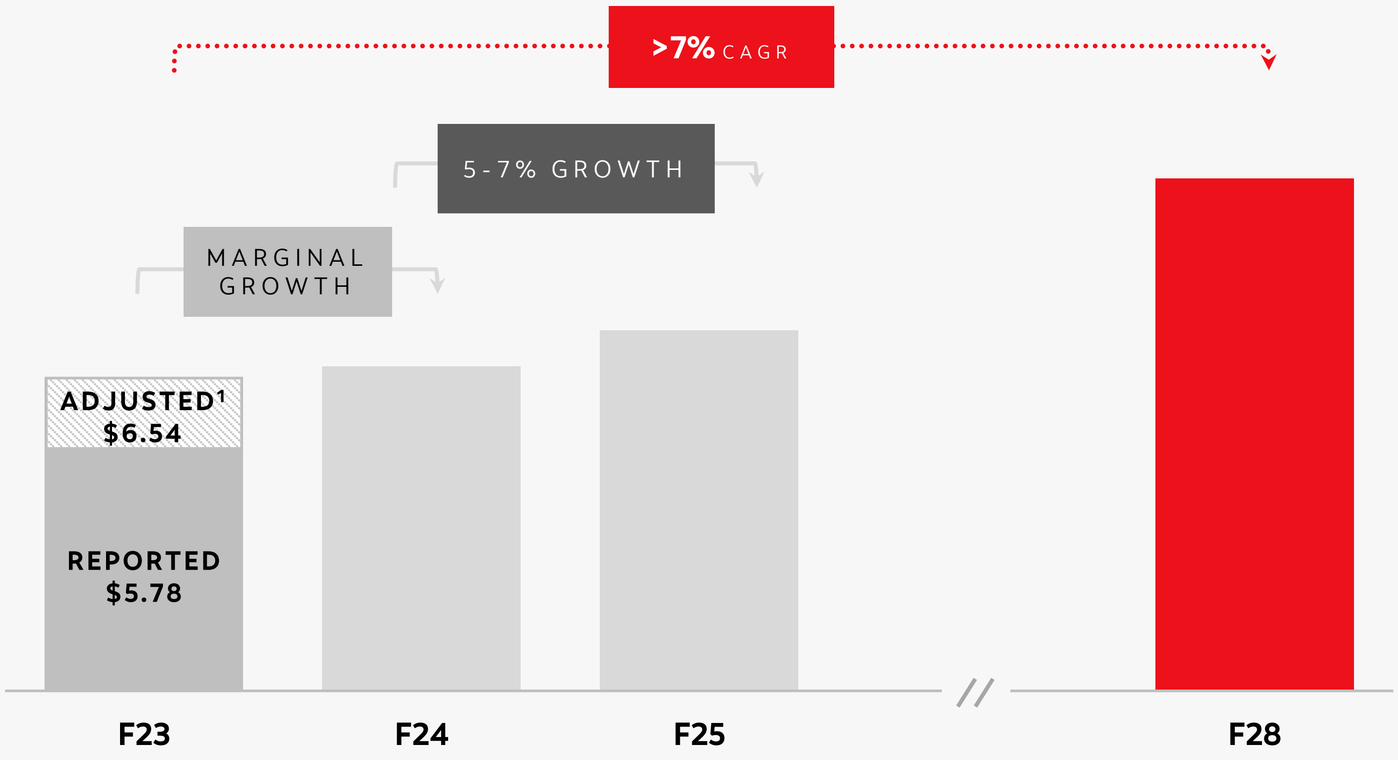
	F23 ROE[1]: F23 ROE, reported	F23 ROE[1]: F23 ROE, adjusted	F28 ROE	DELTA (Between F23 adjusted ROE and F28)
CB	21.3%	21.3%	~24%	▲ 250+ bps
IB	13.1%	13.3%	~16%	▲ 250+ bps
GBM	12.2%	12.2%	~14%	▲ 150+ bps
GWM	14.6%	14.9%	~20%	▲ 500+ bps
ALL-BANK ROE	10.4%	11.7%	**~15%**	▲ 300+ bps

Reflects full impact of Fundamental Review of the Trading Book and floor at 72.5%.

Note: For footnoted information refer to slides 20 and 21

Strong growth over the medium-term

ADJUSTED DILUTED EARNINGS PER SHARE GROWTH



HIGHLIGHTS

- **Marginal earnings growth in F24,** while achieving positive operating leverage
- We are **reinvesting in our businesses** and **reallocating capital** to higher return businesses
- From **F25 onward**, momentum to drive **sustainable, profitable, growth**

Note: For footnoted information refer to slides 20 and 21

Medium-term objectives

The Bank's five-year growth strategy reflects our objective to deliver sustainable earnings to achieve medium-term financial objectives

MEDIUM-TERM FINANCIAL OBJECTIVES[1]	
EPS GROWTH	>7%
RETURN ON EQUITY	>14%
OPERATING LEVERAGE	positive
CAPITAL LEVELS	12%+

MEDIUM-TERM STRATEGIC METRICS	
PRODUCTIVITY RATIO	~50%
RISK ADJUSTED MARGIN	2%+
DIVIDEND PAYOUT RATIO	40 – 50%

Note: For footnoted information refer to slides 20 and 21

KEY TAKEAWAYS

- Maintain a **strong balance sheet** and purposefully allocate capital to higher return businesses
- Deliver run-rate savings from **productivity initiatives to improve bottom line** and create capacity for investment
- Focus on achieving medium-term financial objectives and deliver **profitable and sustainable growth** for our shareholders

Appendix

Economic outlook and assumptions[1]

	Real GDP (annual % change)		Foreign exchange (%)		Central Bank rates (%)	
	2023F	2025F	2023 Q3	WY 2028F	2023 Q3	2025 Q4F
Canada[2]	1.2	2.2	–	–	5.00	3.25
United States	2.2	1.3	0.75 CADUSD	0.76 CADUSD	5.50	3.25
Mexico	3.2	2.0	12.96 CADMXN	15.63 CADMXN	11.25	7.25
Peru	0.5	2.0	2.73 CADPEN	2.93 CADPEN	7.50	4.00
Colombia	1.8	2.9	3,186 CADCOP	3,440 CADCOP	13.25	5.63
Chile	(0.5)	2.8	603 CADCLP	683 CADCLP	9.50	4.25

Note: For footnoted information refer to slides 20 and 21

Endnotes

The Bank prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), which form the Generally Accepted Accounting Principles (GAAP). In addition, the Bank uses a number of financial measures and ratios to assess its performance, as well as the performance of its operating segments. Some of these financial measures and ratios are presented on a Non-GAAP basis, meaning they are not calculated in accordance with GAAP, not defined by GAAP, do not have standardized meanings and therefore might not be comparable to similar financial measures and ratios disclosed by other issuers. The Bank believes that Non-GAAP measures and ratios are useful as they provide readers with a better understanding of how management assesses performance

Slide 3

1. Refer to the Risk Management section in the MD&A in the Bank's 2023 Annual Report for further discussion on the Bank's risk management framework
2. Please refer to Non-GAAP Measures on pages 20-26 of Management's Discussion & Analysis in the Bank's 2023 Annual Report, available on www.sedarplus.ca, for an explanation of the composition of the measure and a quantitative reconciliation. Such explanation and reconciliation are incorporated by reference hereto. For the reconciliation for years prior to F22, see non-GAAP reconciliation starting on page 22
3. Please refer to pages 136-138 of Management's Discussion & Analysis in the Bank's 2023 Annual Report, available on www.sedarplus.ca, for an explanation of the composition of the measure

Slide 4

1. Return on Risk Weighted Assets calculated as (Net Income After Tax / Average Risk Weighted Assets). 2023 regulatory capital ratios are based on Revised Basel III requirements as determined in accordance with OSFI Guideline – Capital Adequacy Requirements (February 2023). Prior period regulatory capital ratios were prepared in accordance with OSFI Guideline – Capital Adequacy Requirements (November 2018)
2. Scotiabank Risk Adjusted Margin calculated as (Core Net interest income less Provisions for Credit Losses / Core Earnings Assets), see non-GAAP reconciliations beginning on slide 22. The Bank believes that this measure is useful for readers as it measures the return from the loan portfolio net of the provision for credit losses
3. Based on peers' F18-F23 adjusted results per annual reports, investor presentations, and Scotiabank analysis. Peers defined as RBC, BMO, TD and CIBC

Slide 5

1. This metric is calculated using Average Total Net Loans and Acceptances to Customers/Total Deposits of Canadian Banking, International Banking (Reported FX), Global Wealth Management, and Global Banking and Markets
2. This metric is calculated using Wholesale Funding / Total Assets (Spot)

Slide 6

1. Fiscal 2022 net share buybacks of ~$2.7 billion, partly offset by Fiscal 2023 share issuances through DRIP of ~$1.4 billion
2. Q2 2023 benefit as a result of the adoption of the Revised Basel III requirements as determined in accordance with OSFI Guideline – Capital Adequacy Requirements (February 2023).
3. Includes FVOCI securities (-24 bps), Canada Recovery Dividend Tax (-12 bps), and other (-20 bps)
4. 2023 regulatory capital ratios are based on Revised Basel III requirements as determined in accordance with OSFI Guideline – Capital Adequacy Requirements (February 2023). Prior period regulatory capital ratios were prepared in accordance with OSFI Guideline – Capital Adequacy Requirements (November 2018)

Slide 9

1. Attributed capital and earnings excluding the Other segment

Endnotes

Slide 10

1. See non-GAAP reconciliations beginning on slide 22

Slide 12

1. Please refer to Non-GAAP Measures on pages 20-26 of Management's Discussion & Analysis in the Bank's 2023 Annual Report, available on www.sedarplus.ca, for an explanation of the composition of the measure and a quantitative reconciliation. Such explanation and reconciliation are incorporated by reference hereto

Slide 13

1. Return on equity is calculated as net income attributable to common shareholders as a percentage of average common shareholders' equity. The Bank attributes capital to its business lines on a basis that approximates 10.5% of Basel III common equity capital requirements which includes credit, market and operational risks and leverage inherent in each business segment. Return on equity for the business segments is calculated as a ratio of net income attributable to common shareholders of the business segment and the capital attributed. Please refer to Non-GAAP Measures on pages 20-26 of Management's Discussion & Analysis in the Bank's 2023 Annual Report, available on www.sedarplus.ca, for an explanation of the composition of the measure and a quantitative reconciliation. Such explanation and reconciliation are incorporated by reference hereto

Slide 14

1. Please refer to Non-GAAP Measures on pages 20-26 of Management's Discussion & Analysis in the Bank's 2023 Annual Report, available on www.sedarplus.ca, for an explanation of the composition of the measure and a quantitative reconciliation. Such explanation and reconciliation are incorporated by reference hereto

Slide 16

1. Refer to the Risk Management section in the MD&A in the Bank's 2023 Annual Report for further discussion on the Bank's risk management framework

Slide 19

1. Source: Scotiabank Economics. GDP and Central Bank Rates for Mexico, Peru, Chile and Colombia on a calendar year basis. Foreign exchange rates are on a fiscal year basis
2. Source: Scotiabank Economics. Forecast shown assumes seven rate cuts to the Bank of Canada overnight rate between fiscal Q3/24 and ending in Q2/25

Reconciliation for Non-GAAP Financial Measures

$MM (unless indicated otherwise)	F19	F20	F21	F22	F23
Reported Average Total Assets	**1,056,063**	**1,160,584**	**1,157,213**	**1,281,708**	**1,395,843**
Less: Non-Earning Assets	86,976	107,490	94,908	107,536	114,126
Average Total Earning Assets	**969,087**	**1,053,094**	**1,062,305**	**1,174,172**	**1,281,717**
Less: Non-Core Earning Assets	265,284	296,107	310,612	341,478	383,442
Average Core Earning Assets	**703,803**	**756,987**	**751,693**	**832,694**	**898,275**
Reported Net Interest Income	**17,177**	**17,320**	**16,961**	**18,115**	**18,287**
Less: Non-core net interest income	28	122	190	(185)	(798)
Core Net interest income	**17,149**	**17,198**	**16,771**	**18,300**	**19,085**
Less: Provision for credit losses	3,027	6084	1808	1382	3422
Risk adjusted net interest income on core earning assets	**14,122**	**11,114**	**14,963**	**16,918**	**15,663**
Risk Adjusted Margin	**2.01%**	**1.47%**	**1.99%**	**2.03%**	**1.74%**

Reconciliation for Non-GAAP Financial Measures

$MM (unless indicated otherwise)	F19	F20	F21
Reported Results			
Total revenue	31,034	31,336	31,252
Provision for credit losses	3,027	6,084	1,808
Non-interest expenses	16,737	16,856	16,618
Income tax expense	2,472	1,543	2,871
Net income	**8,798**	**6,853**	**9,955**
Net income attributable to common shareholders	**8,208**	**6,582**	**9,391**
Diluted earnings per share *(in dollars)*	**6.68**	**5.30**	**7.70**
Adjustments			
Amortization of Acquisition-related intangible assets, excluding software[1]	116	106	103
Restructuring and other provisions[1]	-	-	188
Acquisition-related integration costs[1]	178	177	-
Net (gain)/ loss on divestitures[2]	148	(298)	-
Day 1 provision for credit losses on acquired performing financial instruments[3]	151	-	-
Allowance for credit losses – Additional scenario[3]	-	155	-
Derivatives valuation adjustment[4]	-	116	-
Impairment charge on software asset[1]	-	44	-
Adjustments (Pre-tax)	593	300	291
Income tax expense/(benefit)	18	(192)	(77)
Adjustments (After tax)	611	108	214
Adjustments attributable to NCI	(50)	(60)	(10)
Adjustments (After tax and NCI)	561	48	204
Adjusted Results			
Total revenue	31,161	31,139	31,252
Provision for credit losses	2,876	5,929	1,808
Non-interest expenses	16,422	16,514	16,327
Income tax expense	2,454	1,735	2,948
Net income	**9,409**	**6,961**	**10,169**
Net income attributable to common shareholders	**8,769**	**6,630**	**9,595**
Adjusted diluted earnings per share			
Adjusted diluted earnings per share *(in dollars)*[5]	**7.14**	**5.36**	**7.87**
Impact of Adjusting Items on EPS	0.46	0.06	0.17

$MM (unless otherwise indicated)	F19	F20	F21
Reported			
Net Income Attributable to Common Shareholders - Reported	8,208	6,582	9,391
Average Common Equity	62,851	63,418	63,827
Return on Equity - Reported	**13.1%**	**10.4%**	**14.7%**
Adjusted			
Net Income Attributable to Common Shareholders - Adjusted	8,769	6,630	9,595
Return on Equity - Adjusted	**14.0%**	**10.5%**	**15.0%**

1. Recorded in non-interest expenses
2. (Gain)/Loss on divestitures is recorded in non-interest income; costs related to divestures are recorded in non-interest expenses
3. Recorded in provision for credit losses
4. Recorded in non-interest income
5. Earnings per share calculations are based on full dollar and share amounts