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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 40-F

[Check one]

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**

or

☒ **ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended October 31, 2024

Commission File Number 002-09048

THE BANK OF NOVA SCOTIA
(Exact name of Registrant as specified in its charter)

CANADA
(Province or other jurisdiction of incorporation or organization)

6029
(Primary Standard Industrial Classification Code Number (if applicable))

Not Applicable
(I.R.S. Employer Identification Number (if applicable))

40 Temperance Street, Toronto, Ontario,
Canada M5H 0B4
(416) 866-3672
(Address and telephone number of Registrant's principal executive offices)

The Bank of Nova Scotia, 250 Vesey Street,
New York, N.Y., U.S.A. 10281
Attention: Hector Becil
(212) 225-5000
(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares	BNS	New York Stock Exchange Toronto Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act.

Not applicable
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

Not applicable
(Title of Class)

For annual reports, indicate by check mark the information filed with this Form:

☒ **Annual information form** ☒ **Audited annual financial statements**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

Common Shares	1,244,435,686

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Auditor name: KPMG LLP *Auditor location:* Toronto, ON, Canada *Auditor Firm ID:* 85

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

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DISCLOSURE CONTROLS AND PROCEDURES

Management's Responsibility for Financial Information is described on page 136 of the Bank's Annual Report ("Annual Report") set forth in Exhibit 99.3, 2024 Consolidated Financial Statements. In addition, The Bank of Nova Scotia's (the "Bank") Audit and Conduct Review Committee of the Board of Directors has reviewed, and the Board of Directors has reviewed and approved, the 2024 Consolidated Financial Statements and Management's Discussion and Analysis prior to release. The Bank is committed to providing timely, accurate and balanced disclosure of all material information and to providing fair and equal access to such information. The Bank's disclosure policies and practices are published on its website.

Disclosure Controls and Procedures

The Bank's disclosure controls and procedures are designed to provide reasonable assurance that information is accumulated and communicated to the Bank's management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosure.

As of October 31, 2024, the Bank's management, with the participation of the CEO and CFO, evaluated the effectiveness of its disclosure controls and procedures, as defined under the rules adopted by the United States Securities and Exchange Commission ("SEC") and the Canadian securities regulatory authorities, and have concluded that the Bank's disclosure controls and procedures are effective.

Internal control over financial reporting

Management of the Bank is responsible for establishing and maintaining adequate internal control over financial reporting. These controls include policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and that receipts and expenditures of the Bank are being made only in accordance with authorizations of

management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Bank's assets that could have a material effect on the financial statements.

All control systems contain inherent limitations, no matter how well designed. As a result, the Bank's management acknowledges that its internal control over financial reporting will not prevent or detect all misstatements due to error or fraud. In addition, management's evaluation of controls can provide only reasonable, not absolute, assurance that all control issues that may result in material misstatements, if any, have been detected.

Management assessed the effectiveness of internal control over financial reporting, using the Committee of Sponsoring Organizations of the Treadway Commission (COSO) 2013 framework, and based on that assessment concluded that internal control over financial reporting was effective as of October 31, 2024.

Changes in internal control over financial reporting

There have been no changes in the Bank's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Bank's internal control over financial reporting during the year ended October 31, 2024.

MANAGEMENT'S INTERNAL CONTROL OVER FINANCIAL REPORTING

Management's assessment of the effectiveness of internal control over financial reporting and the Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting are provided on pages 111 and 142 of the Annual Report set forth as Exhibit 99.2 and Exhibit 99.3, respectively.

AUDIT COMMITTEE FINANCIAL EXPERTS

All of the members of the Bank's Audit and Conduct Review Committee of the Board of Directors ("audit committee") are financially literate and independent, and one or more members of the audit committee meets the definition of a financial expert. As of December 3, 2024, the Bank's Board of Directors has determined that Benita M. Warmbold, W. Dave Dowrich, Aaron W. Regent, and Steven C. Van Wyk are audit committee financial experts and are independent, as that term is defined by the New York Stock Exchange's corporate governance standards applicable to the Bank.

The SEC has indicated that the designation of a person as an audit committee financial expert does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the audit committee and board of directors in the absence of such designation.

CODE OF ETHICS

The Bank has adopted a code of ethics, entitled "Scotiabank Code of Conduct" (the "Code"). The Code applies to all directors, officers, employees and contingent workers of the Bank. In 2024, the Bank adopted a revised Code. Key amendments made to the Code included alignment with the Bank's vision, values and behaviors, articulation of the Bank's commitment to positive incentives to promote ethical behavior, and streamlining of text to enable enhanced employee understanding. The full text of the Code is set forth in Exhibit 99.8 and is also available on the Bank's website at www.scotiabank.com, in the Governance section, and is available in print to any person, without charge, upon written request to the Corporate Secretary of the Bank at the Toronto executive office address shown above. The Whistleblower Policy is also posted on the Bank's website. The Whistleblower Policy supports adherence to the Code. Future amendments to the Code and waivers, if any, for directors and executive officers will be disclosed on the Bank's website. There were no waivers under the Code granted in fiscal 2024. The information on, or information that can be accessed through, the Bank's website is not part of and is not incorporated by reference into this annual report. The Bank's website address is included as an inactive textual reference only.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

The disclosure about principal accountant fees and services, found under "Fees paid to the shareholders' auditors" in Table 80 on page 125 of the Annual Report set forth as Exhibit 99.2, Management's Discussion and Analysis, is incorporated by reference herein. The nature of these services is as follows:

- Audit services generally relate to the statutory audits and review of financial statements, regulatory required attestation reports, as well as services associated with registration statements, prospectuses, periodic reports and other documents filed with securities regulatory bodies or other documents issued in connection with securities offerings.
- Audit-related services include special attest services not directly linked to the financial statements, review of controls and procedures related to regulatory reporting, audits of employee benefit plans and consultation and training on accounting and financial reporting.
- Tax services outside of the audit scope relate primarily to specified review procedures required by local tax authorities, attestation on tax returns of certain subsidiaries as required by local tax authorities, and review to determine compliance with an agreement with the tax authorities.

- Other non-audit services are primarily for the review and translation of English language financial statements into other languages and other services.

Less than 1% of the above services, related to translation and preparation of statutory financial statements of certain subsidiary companies, were approved pursuant to an exemption under paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X from the requirement that the audit committee pre-approve the services. The majority of the hours expended on the audits of the 2024 and 2023 consolidated financial statements were attributable to work performed by the full-time permanent employees of the Bank's independent auditors, KPMG LLP or its affiliates. The audit committee's pre-approval policies and procedures, as revised effective March 5, 2007, were attached as Exhibit 7 to the Form 40-F filed on December 19, 2007 for the fiscal year ended October 31, 2007. The pre-approval policies and procedures have been subsequently approved without any major changes at each review.

OFF-BALANCE SHEET ARRANGEMENTS

The disclosure provided under "Off-balance Sheet Arrangements" on pages 68 to 70 of the Annual Report set forth as Exhibit 99.2, Management's Discussion and Analysis, is incorporated by reference herein. Additional information from note 3 on pages 150 to 163, note 8 on pages 164 to 169, note 11 on pages 172 to 179, note 15 on pages 193 to 194, note 16 on pages 194 to 196, note 24 on page 202, note 25 on pages 203 to 205, note 35 on pages 221 to 222 and note 36 on pages 223 to 229 of the Annual Report set forth as Exhibit 99.3, 2024 Consolidated Financial Statements, is incorporated by reference into "Off-balance Sheet Arrangements" in Management's Discussion and Analysis.

CONTRACTUAL OBLIGATIONS

The disclosure provided under "Contractual maturities and obligations" on pages 104 to 106 of the Annual Report set forth as Exhibit 99.2, Management's Discussion and Analysis, is incorporated by reference herein. Additional information from note 8 on pages 164 to 169, note 21 on page 200, note 29 on pages 210 to 215, note 35 on pages 221 to 222 and note 36 on pages 223 to 229 of the Annual Report set forth as Exhibit 99.3, 2024 Consolidated Financial Statements, is incorporated by reference into "Contractual maturities and obligations" in Management's Discussion and Analysis.

IDENTIFICATION OF THE AUDIT COMMITTEE

As of December 3, 2024, the Bank's audit committee is composed of the following directors: Benita M. Warmbold (Chair and financial expert), Scott B. Bonham, Daniel (Don) H. Callahan, W. Dave Dowrich (financial expert), Michael B. Medline, Michael D. Penner, Aaron W. Regent (financial expert), and Steven C. Van Wyk (financial expert).

SUMMARY OF SIGNIFICANT CORPORATE GOVERNANCE DIFFERENCES

A summary of significant ways corporate governance practices followed by the Bank differ from corporate governance practices required to be followed by U.S. domestic companies under the New York Stock Exchange's listing standards (disclosure required by Section 303A.11 of the NYSE Listed Company Manual) is available on the Bank's website at https://www.scotiabank.com/ca/en/about/our-company/governance.html. The information on, or information that can be accessed through, the Bank's website is not part of and is not incorporated by reference into this annual report. This website address is included as an inactive textual reference only.

DISCLOSURE PURSUANT TO SECTION 13(r) OF THE EXCHANGE ACT

Pursuant to Section 13(r) of the Exchange Act, the Bank is required to disclose whether it or any of its affiliates knowingly engaged in certain activities, transactions or dealings relating to the Government of Iran or with certain individuals or entities that are the subject of sanctions under U.S. law. Disclosure is generally required even where the activities, transactions or dealings were conducted outside the United States in compliance with applicable law.

During the fiscal year ending October 31, 2024, the Bank identified and froze an account held by a customer that is subject to sanctions under Canadian law and meets the definition of the "Government of Iran" under U.S. sanctions administered by the U.S. Department of the Treasury's Office of Foreign Assets Control. Pursuant to a requirement under Canadian law, the Bank credited CAD fifty dollars to the customer's account prior to freezing it. The Bank's gross revenue and net profit attributable to this account was de minimis. The Bank does not intend to engage in further activity with respect to this account.

UNDERTAKING

Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

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SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

Registrant: **THE BANK OF NOVA SCOTIA**

By: /s/ Rajagopal Viswanathan
Name: Rajagopal Viswanathan
Title: Group Head and Chief Financial Officer

Date: December 3, 2024

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EXHIBIT INDEX

Exhibit No.	Description
97.1	Dodd-Frank Clawback Policy
99.1	Annual Information Form dated December 3, 2024
99.2	Management's Discussion and Analysis (pages 16 through 134 of the 2024 Annual Report)
99.3	2024 Consolidated Financial Statements (pages 135 through 232 of the 2024 Annual Report)
99.4	Corporate Governance
99.5	Consent of Independent Registered Public Accounting Firm
99.6	Certifications required by Rule 13a-14(a) or Rule 15d-14(a), pursuant to Section 302 of the U.S. Sarbanes-Oxley Act of 2002
99.7	Certifications required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. Section 1350, as enacted pursuant to Section 906 of the U.S. Sarbanes-Oxley Act of 2002
99.8	Code of Conduct
101	Interactive Data File
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

Exhibit 97.1

THE BANK OF NOVA SCOTIA

Dodd-Frank Clawback Policy

The Board of Directors (the "**Board**") of The Bank of Nova Scotia (the " **Bank**") has adopted this Dodd-Frank Clawback Policy (this " **Policy**") in accordance with the applicable provisions of The New York Stock Exchange Listed Company Manual (the "**Clawback Rules**"), promulgated pursuant to the final rules adopted by the Securities and Exchange Commission enacting the clawback standards under Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Human Capital and Compensation Committee (the "**Committee**") is designated to administer this Policy. Capitalized terms not otherwise defined in this Policy have the meanings given to them under the Clawback Rules, which are attached to this Policy as Appendix A.

I. Recovery of Erroneously Awarded Incentive Compensation

The Bank shall comply with the Clawback Rules and reasonably promptly recover Erroneously Awarded Compensation Received by current or former Executive Officers of the Bank ("**Covered Individuals**") in the event the Bank is required to prepare an accounting restatement due to the Bank's material non-compliance with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period. The Committee may determine to not recover Erroneously Awarded Compensation pursuant to this Policy in circumstances where non-enforcement is expressly permitted by the Clawback Rules, including where recovery would violate applicable home country laws in effect before November 28, 2022.

II. Covered Individuals

The Committee shall determine the Bank's Covered Individuals in a manner consistent with the Clawback Rules.

III. Covered Compensation

This Policy applies to the Incentive-based Compensation Received by a Covered Individual: (1) after such Covered Individual began service as an Executive Officer; (2) who served as an Executive Officer at any time during the performance period for that Incentive-based Compensation; (3) while the Bank has a class of securities listed on a US national securities exchange or a US national securities association; and (4) during the three completed fiscal years immediately preceding the date that the Bank is required to prepare an accounting restatement as described above (or during any transition period, that results from a change in the Bank's fiscal year, within or immediately following those three completed fiscal years, as determined in accordance with the Clawback Rules). Notwithstanding the foregoing, this Policy shall not apply to Incentive-based Compensation Received by a Covered Individual prior to the effective date of this Policy.

The amount of Incentive-based Compensation subject to this Policy is the Erroneously Awarded Compensation, which is be the amount of Incentive-based Compensation Received by a Covered Individual that exceeds the amount of Incentive-based Compensation that otherwise would have been Received by the Covered Individual had it been determined based on the restated amount (or otherwise determined in accordance with the Clawback Rules), and will be computed without regard to any taxes paid by the Covered Individual (or withheld from the Incentive-based Compensation). The Committee shall make all determinations regarding the amount of Erroneously Awarded Compensation.

IV. Method of Recovery

The Committee shall determine, in its sole discretion, the manner in which any Erroneously Awarded Compensation shall be recovered. Methods of recovery may include, but are not limited to: (1) seeking direct repayment from the Covered Individual; (2) reducing (subject to applicable law and the terms and conditions of the applicable plan, program or arrangement pursuant to which the incentive-based compensation was paid) the amount that would otherwise be payable to the Covered Individual under any compensation, bonus, incentive, equity and other benefit plan, agreement, policy or arrangement maintained by the Bank or any of its affiliates; (3) cancelling any award (whether cash- or equity-based) or portion thereof previously granted to the Covered Individual; or (4) any combination of the foregoing.

V. No-Fault Basis

This Policy applies on a no-fault basis, and Covered Individuals will be subject to recovery under this Policy without regard to their personal culpability.

VI. Other Bank Arrangements

This Policy shall be in addition to, and not in lieu of, any other clawback, recovery or recoupment policy maintained by the Bank from time to time, as well as any clawback, recovery or recoupment provision in any of the Bank's plans, awards or individual agreements (including the clawback, recovery and recoupment provisions in the Bank's equity award agreements) (collectively, "**Other Bank Arrangement**") and any other rights or remedies available to the Bank, including termination of employment; provided, however, that there is no intention to, nor shall there be, any duplicative recoupment of the same compensation under more than one policy, plan, award or agreement. In addition, no Other Bank Arrangement shall serve to restrict the scope or the recoverability of Erroneously Awarded Compensation under this Policy or in any way limit recovery in compliance with the Clawback Rules.

VII. No Indemnification

Notwithstanding anything to the contrary set forth in any policy, arrangement, bylaws, charter, certificate of incorporation or plan of the Bank or any individual agreement between a Covered Individual and the Bank or any of its affiliates, no Covered Individual shall be entitled to indemnification from the Bank or any of its affiliates for the amount that is or may be recovered by the Bank pursuant to this Policy; provided, however, that to the extent expense advancement or reimbursement is available to a Covered Individual, this Policy shall not serve to prohibit such
advancement or reimbursement.

VIII. Administration; Interpretation

The Committee shall interpret and construe this Policy consistent with the Clawback Rules and applicable laws and regulation and shall make all determinations necessary, appropriate or advisable for the administration of this Policy. Any determinations made by the Committee shall be final, binding and conclusive on all affected individuals. As required by the Clawback Rules, the Bank shall provide public disclosures related to this Policy and any applicable recoveries of Erroneously Awarded Compensation. To the extent this Policy conflicts or is inconsistent with the Clawback Rules, the Clawback Rules shall govern. In no event is this Policy intended to be broader than, or require recoupment in addition to, that required pursuant to the Clawback Rules.

IX. Amendment or Termination of this Policy

The Board reserves the right to amend this Policy at any time and for any reason, subject to applicable law and the Clawback Rules. To the extent that the Clawback Rules cease to be in force or cease to apply to the Bank, this Policy shall also cease to be in force.

Approved and Adopted: approved by the Board of Directors on May 24, 2023 prior to the December 1, 2023 regulatory compliance date for Canadian issuers.

Appendix A

Clawback Rules

303A.14 **Erroneously Awarded Compensation**

(a) This Section 303A.14 prohibits the initial or continued listing of any security of an issuer that is not in compliance with the requirements of any portion hereof.

(b) **Implementation.**

(i) The effective date ("Effective Date") of this Section 303A.14 is October 2, 2023 and Canadian issuers listed on a US stock exchange will have 60 days to comply with the new requirements (i.e., December 1, 2023).

(ii) Each listed issuer must adopt the recovery policy required by this Section 303A.14 ("Recovery Policy") no later than 60 days following the Effective Date.

(iii) Each listed issuer must comply with its Recovery Policy for all incentive-based compensation Received (as such term is defined in Section 303A.14(e) below) by executive officers on or after the Effective Date;

(iv) Each listed issuer must provide the required disclosures in the applicable SEC filings required on or after the Effective Date.

(c) **Requirements.**

The requirements of this Section 303A.14 are as follows:

(1) Recovery of Erroneously Awarded Compensation. The issuer must adopt and comply with a written Recovery Policy providing that the issuer will recover reasonably promptly the amount of erroneously awarded incentive-based compensation in the event that the issuer is required to prepare an accounting restatement due to the material noncompliance of the issuer with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

(i) The Issuer's Recovery Policy must apply to all incentive-based compensation received by a person:

(A) After beginning service as an executive officer;

(B) Who served as an executive officer at any time during the performance period for that incentive-based compensation;

(C) While the issuer has a class of securities listed on a national securities exchange or a national securities association; and

(D) During the three completed fiscal years immediately preceding the date that the issuer is required to prepare an accounting restatement as described in paragraph (c)(1) of this Section 303A.14. In addition to these last three completed fiscal years, the recovery policy must apply to any transition period (that results from a change in the issuer's fiscal year) within or immediately following those three completed fiscal years. However, a transition period between the last day of the issuer's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to 12 months would be deemed a completed fiscal year. An issuer's obligation to recover erroneously awarded compensation is not dependent on if or when the restated financial statements are filed.

(ii) For purposes of determining the relevant recovery period, the date that an issuer is required to prepare an accounting restatement as described in paragraph (c)(1) of this Section 303A.14 is the earlier to occur of:

(A) The date the issuer's board of directors, a committee of the board of directors, or the officer or officers of the issuer authorized to take such action if board action is not required, concludes, or reasonably should have concluded, that the issuer is required to prepare an accounting restatement as described in paragraph (c)(1) of this Section 303A.14; or

(B) The date a court, regulator, or other legally authorized body directs the issuer to prepare an accounting restatement as described in paragraph (c)(1) of this Section 303A.14.

(iii) The amount of incentive-based compensation that must be subject to the issuer's recovery policy ("erroneously awarded compensation") is the amount of incentive-based compensation received that exceeds the amount of incentive-based compensation that otherwise would have been received had it been determined based on the restated amounts, and must be computed without regard to any taxes paid. For incentive-based compensation based on stock price or total shareholder return, where the amount of erroneously awarded compensation is not subject to mathematical recalculation directly from the information in an accounting restatement:

(A) The amount must be based on a reasonable estimate of the effect of the accounting restatement on the stock price or total shareholder return upon which the incentive-based compensation was received; and

(B) The issuer must maintain documentation of the determination of that reasonable estimate and provide such documentation to the Exchange.

(iv) The issuer must recover erroneously awarded compensation in compliance with its recovery policy except to the extent that the conditions of paragraphs (c)(1)(iv)(A), (B), or (C) of this Section 303A.14 are met, and the issuer's committee of independent directors responsible for executive compensation decisions, or in the absence of such a committee, a majority of the independent directors serving on the board, has made a determination that recovery would be impracticable.

(A) The direct expense paid to a third party to assist in enforcing the policy would

exceed the amount to be recovered. Before concluding that it would be impracticable to recover any amount of erroneously awarded compensation based on expense of enforcement, the issuer must make a reasonable attempt to recover such erroneously awarded compensation, document such reasonable attempt(s) to recover, and provide that documentation to the Exchange.

(B) Recovery would violate home country law where that law was adopted prior to November 28, 2022. Before concluding that it would be impracticable to recover any amount of erroneously awarded compensation based on violation of home country law, the issuer must obtain an opinion of home country counsel, acceptable to the Exchange, that recovery would result in such a violation, and must provide such opinion to the Exchange.

(C) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the registrant, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

(v) The issuer is prohibited from indemnifying any executive officer or former executive officer against the loss of erroneously awarded compensation.

(2) The issuer must file all disclosures with respect to such Recovery Policy in accordance with the requirements of the Federal securities laws, including the disclosure required by the applicable Commission filings

(d) General Exemptions

The requirements of this Section 303A.14 do not apply to the listing of:

(1) A security futures product cleared by a clearing agency that is registered pursuant to section 17A of the Act (15 U.S.C. 78q-1) or that is exempt from the registration requirements of section 17A(b)(7)(A) (15 U.S.C. 78q-1(b)(7)(A));

(2) A standardized option, as defined in 17 CFR 240.9b-1(a)(4), issued by a clearing agency that is registered pursuant to section 17A of the Act (15 U.S.C. 78q-1);

(3) Any security issued by a unit investment trust, as defined in 15 U.S.C. 80a-4(2);

(4) Any security issued by a management company, as defined in 15 U.S.C. 80a-4(3), that is registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8), if such management company has not awarded incentive-based compensation to any executive officer of the company in any of the last three fiscal years, or in the case of a company that has been listed for less than three fiscal years, since the listing of the company.

(e) Definitions. Unless the context otherwise requires, the following definitions apply for purposes of this Section 303A.14:

Executive Officer. An executive officer is the issuer's president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the issuer in charge of a principal business unit,

division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the issuer. Executive officers of the issuer's parent(s) or subsidiaries are deemed executive officers of the issuer if they perform such policy making functions for the issuer. In addition, when the issuer is a limited partnership, officers or employees of the general partner(s) who perform policy-making functions for the limited partnership are deemed officers of the limited partnership. When the issuer is a trust, officers, or employees of the trustee(s) who perform policy-making functions for the trust are deemed officers of the trust. Policy-making function is not intended to include policy-making functions that are not significant. Identification of an executive officer for purposes of this Section 303A.14 would include at a minimum executive officers identified pursuant to 17 CFR 229.401(b).

Financial reporting measures. Financial reporting measures are measures that are determined and presented in accordance with the accounting principles used in preparing the issuer's financial statements, and any measures that are derived wholly or in part from such measures. Stock price and total shareholder return are also financial reporting measures. A financial reporting measure need not be presented within the financial statements or included in a filing with the Commission.

Incentive-based compensation. Incentive-based compensation is any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a financial reporting measure.

Received. Incentive-based compensation is deemed received in the issuer's fiscal period during which the financial reporting measure specified in the incentive-based compensation award is attained, even if the payment or grant of the incentive-based compensation occurs after the end of that period.

Exhibit 99.1

The Bank of Nova Scotia

ANNUAL INFORMATION FORM

DECEMBER 3, 2024



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INFORMATION IS AT OCTOBER 31, 2024, UNLESS OTHERWISE NOTED.

Distribution Notice

When this Annual Information Form is provided to security holders or other interested parties, it must be accompanied by copies of all the documents (or excerpts thereof) incorporated herein by reference. Portions of this Annual Information Form of The Bank of Nova Scotia (the "Bank", "Scotiabank", "we" or "our") dated December 3, 2024 (the "AIF"), are disclosed in the Management's Discussion and Analysis for the year ended October 31, 2024 (the "MD&A"). The MD&A is also available on SEDAR+ at www.sedarplus.ca.

Financial Data

Except as otherwise noted, all information is given at or for the year ended October 31, 2024. Amounts are expressed in Canadian dollars. Financial information is presented in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, unless otherwise noted.

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 2024 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," "outlook," "seek," "schedule," "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, including relating to the care and control of information, and other risks arising from the Bank's use of third parties; 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 and the global economy of war, conflicts or terrorist actions and unforeseen consequences arising from such actions; technological changes, including the use of data and artificial intelligence in our business, 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 cyberattacks) 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, denial

of service 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; environmental, social and governance risks, including climate change, our ability to implement various sustainability-related initiatives (both internally and with our clients and other stakeholders) under expected time frames, and our ability to scale our sustainable-finance products and services; the occurrence of natural and unnatural catastrophic events and claims resulting from such events, including disruptions to public infrastructure, such as transportation, communications, power or water supply; inflationary pressures; global supply-chain disruptions; 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 2024 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 2024 Annual Report under the headings "Outlook", as updated by quarterly reports. The "Outlook" and "2025 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 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.

CORPORATE STRUCTURE

Name, Address and Place of Incorporation

The Bank was granted a charter under the laws of the Province of Nova Scotia in 1832 and commenced operations in Halifax, Nova Scotia in that year. Since 1871, the Bank has been a chartered bank under the *Bank Act* (Canada) (the "Bank Act"). The Bank is a Schedule I bank under the Bank Act and the Bank Act is its charter. The head office of the Bank is located at 1709 Hollis Street, Halifax, Nova Scotia, B3J 1W1 and its executive offices are at 40 Temperance Street, Toronto, Ontario, M5H 0B4. A copy of the Bank's by-laws is available on www.sedarplus.ca.

Intercorporate Relationships

Each international principal subsidiary of the Bank is incorporated or established and existing under the laws of the jurisdiction in which its principal office is located, with the exception of Scotia Holdings (USA) LLC and Scotia Financing (USA) LLC which are incorporated and existing under the laws of the State of Delaware. Each Canadian principal subsidiary of the Bank is incorporated or established and existing under the laws of Canada, except for 1832 Asset Management L.P., Scotia Capital Inc. and Scotia Securities Inc. which are incorporated or established and existing under the laws of the Province of Ontario.

The Bank's principal subsidiaries are listed on Schedule A.

GENERAL DEVELOPMENT OF THE BANK'S BUSINESS

Three-Year History

As reported in accordance with IFRS, for the fiscal year ended October 31, 2024, the Bank's net income attributable to common shareholders was $7,286 million, up from $6,919 million in 2023. The Bank's net income attributable to common shareholders was $9,656 million in 2022. Earnings per share (on a diluted basis) for the fiscal year ended October 31, 2024 was $5.87, compared to $5.72 in 2023 and $8.02 in 2022.

Return on equity for the fiscal year ended October 31, 2024 was 10.2%, compared to 10.3% in 2023 and 14.8% in 2022. In fiscal 2024, the Bank's actual dividend payout ratio was approximately 71%, compared to 72.3% in 2023 and 50.3% in 2022.[1]

For additional information on the Bank's businesses, see the descriptions provided below and on pages 41 to 54 of the MD&A.

On September 26, 2022, the Bank announced Brian Porter's decision to retire as President and Chief Executive Officer, effective January 31, 2023. The Bank's Board of Directors appointed Scott Thomson as CEO of the Bank, effective February 1, 2023. Mr. Thomson initially served as President, effective December 1, 2022, with responsibility for the Bank's four business lines. To support the transition, Mr. Porter was a Strategic Advisor to Mr. Thomson from February 1, 2023 to April 30, 2023.

Certain acquisitions and dispositions that have influenced the general development of the Bank's business over the past three years are summarized below, for additional information on acquisitions and divestitures, see note 37 to the Bank's consolidated financial statements for the year ended October 31, 2024.

On August 12, 2024, the Bank announced that it had entered into an agreement to acquire an approximate 14.9% pro-forma ownership stake in KeyCorp. On August 30, 2024, the Bank completed its acquisition of an approximately 4.9% pro-forma ownership stake in KeyCorp through newly issued shares for cash consideration of approximately U.S.$0.8 billion. Subject to regulatory approvals, the additional investment of an approximately 10% stake (for a total pro-forma ownership of approximately 14.9%) in KeyCorp for cash consideration of approximately U.S.$2.0 billion is expected to close in fiscal 2025.

On May 6, 2024, the Bank entered into an agreement to sell CrediScotia Financiera, a wholly-owned consumer finance subsidiary in Peru, to Banco Santander. The transaction is subject to regulatory approvals and customary closing conditions.

On October 31, 2023, the Bank completed the sale of its 20% equity interest in Canadian Tire's Financial Services business (CTFS) to Canadian Tire Corporation. For further details, please refer to note 37 of the Consolidated Financial Statements.

On October 27, 2022, the Bank completed the sale of its interest in Thanachart Insurance Public Company Limited and Thanachart Securities Public Company Limited.

On October 26, 2022, the Bank completed the sale of its 26.8% interest in Banco del Caribe, C.A and its 23.4% interest in Inversiones Americana del Caribe (IAC), B.V.

The Bank has made the decision to wind down its operations in India and Malaysia as part of the realignment of Global Banking and Markets business in the Asia Pacific region.

On June 9, 2022, the Bank announced that the agreement for the sale of its banking operations in Guyana to First Citizens Bank Limited, initially signed on March 3, 2021, has expired and has therefore been terminated in accordance with its terms.

On February 27, 2022, the Bank increased its ownership in Scotiabank Chile through the acquisition of an additional 16.8% stake for $1.2 billion from the non-controlling interest shareholders, resulting in 99.8% ownership of Scotiabank Chile.

DESCRIPTION OF THE BANK'S BUSINESS

General Summary

Scotiabank's vision is to be our clients' most trusted financial partner and deliver sustainable, profitable growth. Guided by our purpose: "for every future," we help our clients, their families and their communities achieve success through a broad

[1] The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements in the 2024 Annual Report. Amounts for fiscal 2022 have been prepared in accordance with IFRS 4 and have not been restated.

range of advice, products, and services, including personal and commercial banking, wealth management and private banking, corporate and investment banking, and capital markets.

For the year ended October 31, 2024, the Bank's operating segments are: Canadian Banking, International Banking, Global Wealth Management, Global Banking and Markets and Other.

Canadian Banking provides a full suite of financial advice and banking solutions, supported by an excellent customer experience, to over 11 million customers. Retail, Small Business and Commercial Banking customers receive service through its network of 898 branches and 3,578 automated banking machines (ABMs), as well as online, mobile and telephone banking, and specialized sales teams. Canadian Banking also provides an alternative self-directed banking solution to Tangerine customers.

International Banking is a strong and diverse franchise that provides financial advice and solutions to over 12 million retail, corporate and commercial clients. Its geographic presence spans more than 15 countries, including Mexico, Chile, Peru, Colombia, Brazil, Uruguay, and various markets in Central America and the Caribbean. The Bank's unique geographical footprint ensures robust connectivity within the North America corridor. Many countries within the International Banking network boast of favorable demographics and present significant opportunities for increasing banking penetration.

Global Wealth Management is focused on delivering comprehensive wealth management advice and solutions to clients across Scotiabank's footprint. Global Wealth Management serves over 2 million investment fund and advisory clients across 13 countries – administering over $700 billion in assets.

Global Banking and Markets (GBM) provides corporate clients with lending and transaction services, investment banking advice and access to capital markets. GBM is a full-service wholesale bank in the Americas, serving clients across Canada, the United States, Latin America, Europe and Asia-Pacific.

The Other segment includes Group Treasury, smaller operating segments and corporate items which are not allocated to a business line. Group Treasury is primarily responsible for Balance Sheet, Liquidity and Interest Rate Risk management, which includes the Bank's wholesale funding activities.

Collectively, the Bank has 88,488 employees (full-time equivalent) and our customers are served by a network of 2,236 branches and offices, as of the financial year end (October 31, 2024).

A more complete description of services provided by each of the Bank's major business lines is available in the MD&A, on pages 41 to 54 inclusive, and those pages are herein incorporated by reference.

Competition

The Canadian banking system consists of numerous banks and other financial institutions. Certain large Canadian banks are required by law to be widely held because their equity exceeds a threshold of $12 billion. These banks compete nationwide through extensive branch networks, ABMs, telephone, internet and mobile banking offerings. In total, the Canadian system includes 35 domestic banks, 15 foreign banks and numerous credit unions and caisses populaires. More broadly, the Canadian financial services industry includes thousands of institutions such as life insurance companies, property and casualty insurers, consumer finance companies, independent investment dealers and independent retail mutual fund management companies.

Competition is reflected in the range of products and services offered, innovation in features, services, technology and delivery, as well as the various pricing schemes adopted. Additionally, a growing number of service providers in the Canadian marketplace are offering alternative channels and competition in the payments space. The increased number of new entrants into the financial services sector in recent years has also underscored an enhanced level of competition.

The Bank is a global financial services provider offering a diverse range of products and services, including personal, commercial, corporate and investment banking. In providing these services and products, the Bank competes with local and international banks and other financial institutions.

Supervision and Regulation in Canada

As a Canadian Schedule I Bank, the Bank's activities in Canada are governed by the Bank Act, which is one of four main

federal statutes governing the financial services industry in Canada. The other three statutes cover trust and loan companies, insurance companies and co-operative credit associations.

In accordance with the Bank Act, an organization may engage in and carry on the business of banking and such business generally as pertains to the business of banking. The Bank Act grants Canadian chartered banks broad powers of investment in the securities of other corporations and entities, but imposes limits upon substantial investments. Under the Bank Act, generally a bank has a substantial investment in a body corporate when (a) voting rights attached to the voting shares beneficially owned by the bank and by entities controlled by the bank exceed 10% of the voting rights attached to the outstanding voting shares of the body corporate, or (b) the total number of shares of the body corporate that are beneficially owned by the bank and entities controlled by the bank represent more than 25% of the total shareholders' equity of the body corporate. In addition, under the Bank Act, a bank has a substantial investment in an unincorporated entity where the ownership interests in such entity beneficially owned by that bank and by entities controlled by that bank exceed 25% of all ownership interests in such entity. A Canadian chartered bank is permitted to have a substantial investment in entities whose activities are consistent with those of certain prescribed permitted substantial investments. In general, a bank will be permitted to invest in an entity that carries on any financial services activity. Further, a bank may generally invest in entities that carry on commercial activities that are related to the promotion, sale, delivery or distribution of a financial product or service. A bank may also invest in entities that provide professional investment management to closed-end funds and mutual funds, engage in the distribution of mutual funds and provide consulting and agency services for real property or service financial institutions and the bank may have downstream holding companies to hold these investments. In certain cases, the approval of the Minister of Finance (the "Minister") or the Superintendent of Financial Institutions Canada (the "Superintendent") is required prior to making the investment and/or the bank is required to control the entity. Canadian chartered banks may offer through their branch network credit or charge-card related insurance, creditors' disability insurance, creditors' life insurance, creditors' loss of employment insurance, creditors' vehicle inventory insurance, export credit insurance, mortgage insurance and travel insurance. Outside bank branches, a bank may offer insurance only in the limited circumstances prescribed by the Bank Act.

Without Minister approval, no person or group of associated persons may own more than 10% of any class of shares of the Bank. No person may be a major shareholder of a bank if the bank has equity of $12 billion or more (which includes the Bank). A person is a major shareholder of a bank if: (a) the aggregate of shares of any class of voting shares beneficially owned by that person and that are beneficially owned by any entities controlled by that person is more than 20% of that class of voting shares; or (b) the aggregate of shares of any class of non-voting shares beneficially owned by that person and that are beneficially owned by any entities controlled by that person is more than 30% of that class of non-voting shares. Ownership of the Bank's shares by Canadian or foreign governments is prohibited under the Bank Act. The Bank Act provides for limited circumstances in which the Canadian federal government may be permitted to acquire shares of a bank, including the Bank, if the Minister and Governor in Council were to conclude that to do so would promote stability in the financial system. While the government holds any shares of a bank, including the Bank, the Minister may impose certain terms and conditions, including conditions on the payment by the Bank of dividends on any of its shares.

The Superintendent is responsible to the Minister for the administration of the Bank Act. The Superintendent is required to make an annual examination of each bank to ensure compliance with the Bank Act and to ensure that each bank is in sound financial condition. The report of the Superintendent's examination is submitted to the Minister. The Bank is also required to disclose certain financial information. The Bank is subject to regulation by the Canada Deposit Insurance Corporation and the Financial Consumer Agency of Canada, and the activities of the Bank in Canada are subject to various other federal statutory provisions, including the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* which applies to all of the Bank's businesses in Canada. The activities of the Bank's trust subsidiaries and insurance subsidiaries are regulated in Canada under the *Trust and Loan Companies Act* and the *Insurance Companies Act*, respectively, and under provincial laws in respect of their activities in the provinces. Certain activities of the Bank and its subsidiaries acting as securities brokers, dealers (including investment and mutual fund dealers), underwriters and advisors (including investment counsel and portfolio managers) are regulated in Canada under provincial securities legislation and, in some cases, by self-regulatory organizations, such as the Canadian Investment Regulatory Organization (CIRO) for investment dealers and mutual fund dealers.

Bank Recapitalization (Bail-In) Regime

On September 23, 2018, the regulations under the *Canada Deposit Insurance Corporation Act* (Canada) (the "CDIC Act") and the Bank Act (collectively, the "Bail-In Regulations") which provides the details of conversion, issuance and compensation regimes for bail-in instruments issued by domestic systemically important banks, including the Bank, came into force. Pursuant to the CDIC Act, in circumstances where the Superintendent of Financial Institutions has determined

that the Bank has ceased, or is about to cease, to be viable, the Governor in Council may, upon a recommendation of the Minister of Finance that he or she is of the opinion that it is in the public interest to do so, grant an order directing CDIC to convert all or a portion of certain shares and liabilities of the Bank into common shares of the Bank. For a description of the Canadian bank resolution powers and the consequent risk factors attaching to certain liabilities of the Bank reference is made to the Bank's website under Regulatory Disclosures for Fixed Income Investors[2]. The information on our website does not form part of this Annual Information Form.

International Supervision and Regulation

Capital adequacy for Canadian banks is regulated by the Office of the Superintendent of Financial Institutions, Canada ("OSFI") and subject to the revised capital adequacy requirements as published by the Basel Committee on Banking Supervision (BCBS) and commonly referred to as Basel III. Additional information on the regulatory capital of the Bank and developments facing the Bank are described under the headings "Regulatory capital" and "Regulatory capital developments" on pages 56-57 of the MD&A, respectively, and those sections are incorporated herein by reference.

Automatic Exchange of Information

Under the initiative of the Organization for Economic Co-Operation and Development, many countries have committed to automatic exchange of information relating to accounts held by tax residents of signatory countries, using a Common Reporting Standard ("CRS"). Canada's automatic exchange of financial account information arrangements with jurisdictions, other than the U.S., has been implemented in accordance with the CRS and the implementation of the CRS legislation in Canada was effective July 1, 2017. The Bank meets all obligations imposed under the CRS, in accordance with local laws, in Canada and all applicable jurisdictions in which it operates.

Supervision and Regulation Outside Canada – Key Jurisdictions

United States

The activities of the Bank and its subsidiaries in the U.S. are subject to federal and state supervision, regulation and examination by bank regulatory and other governmental agencies. The Bank is subject to the Bank Holding Company Act of 1956 ("BHCA") and the International Banking Act of 1978 and associated regulations of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"). The Federal Reserve Board and other banking regulators oversee the operation of the Bank's branches, offices and subsidiaries in the U.S. The SEC, state securities regulators and self-regulatory organizations, such as the Financial Industry Regulatory Authority, regulate its broker-dealer subsidiary and the SEC, effective November 1, 2021, regulates the Bank's security-based swaps dealer business and the Commodity Futures Trading Commission ("CFTC") oversees the Bank's swaps and commodities trading and clearing businesses.

The Bank is a "financial holding company" under the BHCA. This status allows a broad range of financial activities to be undertaken in the U.S. Provisions of the Federal Reserve Act place certain limitations and restrictions on the transactions that the Bank's U.S. branch and agency can engage in with affiliates of the Bank.

The Bank, as a non-U.S. bank with U.S. operations, is required by U.S. anti-money laundering laws, to take certain steps to prevent, detect and report individuals and entities involved in international money laundering and the financing of terrorism. Failure of a financial institution to comply with these requirements could have serious legal and reputational consequences for the institution.

The Bank is also subject to the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). Dodd-Frank Act reforms include heightened consumer protection, revised regulation of over-the-counter derivatives markets, restrictions on proprietary trading and the ownership and sponsorship of private investment funds by banks and their affiliates (referred to as the Volcker Rule), imposition of heightened prudential standards, and broader application of leverage and risk-based capital requirements.

The Bank is subject to the enhanced prudential standards and early remediation requirements of sections 165 (implemented by Regulation YY) and 166 of the Dodd-Frank Act (the "FBO Rule") for bank holding companies and foreign banking organizations. With respect to foreign banking organizations, the overall intent of Section 165 and Regulation YY is to strengthen the regulation of the U.S. operations of foreign banking organizations by requiring home country capital

[2] Visit webpage at https://www.scotiabank.com/ca/en/about/investors-shareholders/regulatory-disclosures/canadian-bank-resolution-powers-including-bail-in.html.

certification consistent with the Basel capital framework, home country capital stress tests comparable to U.S. standards, maintenance of a liquidity buffer for U.S. branches and agencies and establishment of a U.S. risk committee with the appointment of a U.S. Chief Risk Officer. The Bank has a Chief Risk Officer for the U.S., a U.S. Risk Committee and complies with the FBO Rule. The Bank is not currently required to form a U.S. intermediate holding company under the FBO Rule. In October 2019, the Federal Reserve finalized its rules to further tailor the regulatory framework for enhanced prudential standards and the U.S. Basel III capital and liquidity requirements applicable to domestic banking organizations and foreign banking organizations (FBOs), with which the Bank is complying.

Mexico

Grupo Financiero Scotiabank Inverlat, S.A. de C.V. is an “affiliate holding company” pursuant to the Law to Regulate Financial Groups and the Regulations for the Establishment of Foreign Affiliates Financial Institutions in Mexico. The governing authority is the Ministry of Finance of Public Credit, as well as those supervising and regulatory authorities which are the Central Bank of Mexico, the National Banking and Securities Commission and the National Commission for the Protection of the Users of Financial Services.

Peru

Scotiabank Peru S.A.A. is a “banking company” pursuant to the Law of the Banking System, Insurance and Private Pension Funds Administrators and applicable rules for financial groups enacted by the Superintendency of Banking System, Insurance and Private Pension Funds Administrators (“SBS”) and the Superintendency of Securities Market (“SMV”). Beside SBS and SMV, the other governing authorities are the Central Bank of Peru, and the National Institution for the Defense of Competition and Intellectual Property, in charge, among other functions, of the protection of consumers of financial services.

Pursuant to SBS and SMV regulations on ownership and control of supervised companies, Scotiabank Peru S.A.A. also reports on its holding company shareholder Scotia Peru Holdings S.A.

Chile

Scotiabank Chile (“Scotiabank Chile”) is a special stock corporation governed by the provisions of the General Banking Act and by the provisions applicable to listed corporations contained in the Corporations Act. It is supervised by the Financial Markets Commission (CMF), which is an autonomous institution related to the Chilean Government through the Ministry of Finance. Scotiabank Chile is also governed by the Central Bank of Chile and the National Consumer Service (Sernac), the latter being responsible for, among other functions, consumer protection with regards to financial services, in accordance with the provisions of the Financial Consumer Protection Act. Scotiabank Chile’s subsidiaries are supervised by the CMF, according to their respective business lines.

Colombia

Scotiabank Colpatria S.A., a subsidiary of the Bank, is a bank incorporated in compliance with the regulations of the Financial Superintendence of Colombia (Superintendencia Financiera de Colombia or “SFC”). The SFC is the supervisor of the national banking, insurance, pension funds, and securities markets under Colombian laws, with the purpose of assuring their stability, efficiency and transparency, as well as maintaining and fostering a sound and balanced development of the financial system as a whole, while protecting the interests of the public in Colombia. The SFC is responsible for inspecting, supervising and controlling Scotiabank Colpatria S.A. Additionally, the SFC promotes, organizes and develops regulations in order to ensure the protection of investors, depositors, shareholders and stakeholders. The SFC is also responsible for financial customer protection.

United Kingdom

In respect of its London Branch, the Bank is authorized in the United Kingdom by the Prudential Regulation Authority (PRA) and subject to regulation by the Financial Conduct Authority (FCA) and limited regulation by the PRA. The Bank’s subsidiary in the United Kingdom, Scotiabank Europe Limited (formerly Scotiabank Europe plc), has successfully applied for its regulatory permissions in the United Kingdom to be cancelled and it is therefore no longer a regulated entity and has been placed into voluntary liquidation.

Republic of Ireland

In respect of the Bank's Irish subsidiary, Scotiabank (Ireland) Designated Activity Company, the Bank is authorized and regulated in Ireland by the Central Bank of Ireland.

Singapore

In respect of its Singapore Branch, the Bank is authorised and regulated in Singapore by the Monetary Authority of Singapore.

Other Jurisdictions

Outside of the U.S., Mexico, Peru, Chile, Colombia, the United Kingdom, Ireland and Singapore, each of the Bank's branches, agencies and subsidiaries, many of which are banks in their own right, is also subject to the regulatory requirements of the jurisdiction in which it conducts its business.

Certain other regulatory developments facing the Bank are described on page 116 of the MD&A and this page is incorporated herein by reference.

Environmental, Social and Governance Strategies

Each year, the Bank publishes information about its corporate Environment, Social and Governance (ESG) activities, including annual Climate and ESG reports. Collectively, ESG reporting provides details of the Bank's priorities and performance related to environmental, social and governance policies and strategies. These reports can be found on the ESG Publications and Policies page within the Responsibility and Impact section of the Bank's website at https://www.scotiabank.com/ca/en/about/responsibility-impact/esg-publications-policies.html.

Risk Factors

The risks faced by the Bank are described on pages 72 to 110 inclusive of the MD&A and those pages are incorporated herein by reference.

DIVIDENDS

Restrictions on payment of dividends and retirement of shares

The restrictions on payment of dividends and retirement of shares faced by the Bank are described in note 25(c) of the consolidated financial statements for the year ended October 31, 2024, which are incorporated herein by reference.

Dividend Payments

In fiscal 2024, the Bank's actual common share dividend payout ratio was approximately 71%, compared to 72.3% in 2023. [3] The Bank has declared and paid the following dividends on its common shares and preferred shares over the past three completed financial years:

	2024[2]	2023	2022[1]
Common Shares	$ 4.24	$ 4.18	$ 4.06
Series 38			$0.303125
Series 40	$0.303125	$1.212500	$1.212500

(1) On January 27, 2022, the Bank redeemed all of its issued and outstanding Preferred Shares, Series 38

(2) On January 29, 2024, the Bank redeemed all of its issued and outstanding Preferred Shares, Series 40.

DESCRIPTION OF THE BANK'S CAPITAL STRUCTURE

The following summary of the Bank's share capital is qualified in its entirety by the Bank's by-laws and the actual terms and conditions of such securities. For more details on the Bank's capital structure, see pages 55 to 62 of the MD&A and

[3] The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements in the 2024 Annual Report.

notes 22 and 25 of the consolidated financial statements for the year ended October 31, 2024. The Bank incorporates those pages and notes by reference.

Common Shares

The authorized common share capital of the Bank consists of an unlimited number of common shares, without nominal or par value, of which 1,244,435,686 common shares were issued and outstanding as at October 31, 2024.

Holders of the Bank's common shares are entitled to vote at all meetings of the shareholders of the Bank except meetings at which only the holders of preferred shares of the Bank are entitled to vote. Common shareholders are entitled to receive dividends, as and when declared on the common shares.

After the payment to the holders of the preferred shares of the amount or amounts to which they may be entitled, the holders of the Bank's common shares shall be entitled to receive the remaining property of the Bank upon liquidation, dissolution or winding-up thereof.

Preferred Shares – General

The authorized preferred share capital of the Bank consists of an unlimited number of preferred shares without nominal or par value issuable in series. The term "Preferred Shares" shall refer to all authorized preferred shares of the Bank.

As at October 31, 2024, no Non-cumulative Preferred Shares were outstanding.

The Preferred Shares, if outstanding, are entitled to preference over the common shares and over any other shares of the Bank ranking junior to the Preferred Shares with respect to the payment of dividends and upon any distribution of assets in the event of liquidation, dissolution or winding-up of the Bank.

The Bank may not create, without the approval of the holders of outstanding Preferred Shares, any other class of shares ranking prior to or on a parity with the Preferred Shares, increase the authorized number of Preferred Shares or amend the provisions attaching to the Preferred Shares.

Any approval to be given by the holders of the outstanding Preferred Shares may be given by a resolution carried by the affirmative vote of not less than 66 2/3% of the votes cast at a meeting of holders of Preferred Shares at which a majority of the outstanding Preferred Shares is represented or, if no quorum is present at such meeting, at any adjourned meeting at which no quorum requirements would apply.

In accordance with capital adequacy requirements adopted by OSFI, non-common capital instruments issued after January 1, 2013, including Preferred Shares, must include terms providing for the full and permanent conversion of such securities into common shares upon the occurrence of certain trigger events relating to financial viability (the Non-Viability Contingent Capital or "NVCC requirements") in order to qualify as regulatory capital.

Certain Provisions of the Preferred Shares

Dividends

The holders of the Preferred Shares, if outstanding, will be entitled to receive either a fixed or floating rate quarterly non-cumulative preferential cash dividend, as and when declared by the Board of Directors of the Bank, subject to the provisions of the Bank Act, on the third last business day of each of January, April, July and October in each year at the rate specified in the terms of each series. If the Board of Directors of the Bank does not declare the dividends, or any part thereof, on an outstanding series of Preferred Shares on or before the dividend payment date for a particular quarter, then the entitlement of the holders of such series of Preferred Shares to receive such dividends, or to any part thereof, for such quarter shall be forever extinguished.

Redemption

Preferred Shares outstanding from time to time will not be redeemable prior to the date specified in the terms for each series. Subject to the provisions of the Bank Act, the prior consent of the Superintendent and to certain conditions being met, the Bank may redeem at the time specified in the terms of each series all or any part of an outstanding series of Preferred Shares

at the Bank's option without the consent of the holder, by the payment of an amount in cash for each such share so redeemed as specified in the terms of each series.

Notice of any redemption of any series of Preferred Shares will be given by the Bank at least 30 days and not more than 60 days prior to the date fixed for redemption. If less than all the outstanding Preferred Shares in any series are at any time to be redeemed, the shares to be redeemed will be redeemed *pro rata*, disregarding fractions.

Rights Upon Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Bank, the holders of any series of the Preferred Shares outstanding shall be entitled to receive the share value or face value per Preferred Share (as set out in the rights, privileges, restrictions and conditions attaching to such Preferred Shares), together with all dividends declared and unpaid to the date of payment before any amount shall be paid or any assets of the Bank distributed to the holders of any shares ranking junior to the Preferred Shares. The holders of any series of the Preferred Shares outstanding shall not be entitled to share in any further distribution of the assets of the Bank.

Restrictions on Dividends and Retirement of Shares

So long as any shares of a series of Preferred Shares are outstanding, the Bank will not, without the approval of the holders of the relevant series of Preferred Shares:

(a) declare, pay or set apart for payment any dividends on the common shares of the Bank or any other shares ranking junior to the series of Preferred Shares (other than stock dividends payable in shares ranking junior to the series of Preferred Shares);

(b) redeem, purchase or otherwise retire any common shares or any other shares ranking junior to the series of Preferred Shares (except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the series of Preferred Shares);

(c) redeem, purchase or otherwise retire less than all of the series of Preferred Shares; or

(d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of Preferred Shares of the Bank, redeem, purchase or otherwise retire any other shares ranking on a parity with the series of Preferred Shares;

unless, in each case, all dividends up to and including those payable on the dividend payment date for the last completed period for which dividends shall be payable shall have been declared and paid or set apart for payment in respect of each series of cumulative preferred shares of the Bank then issued and outstanding and on all other cumulative shares ranking on a parity with the preferred shares of the Bank and there shall have been paid or set apart for payment all declared dividends in respect of each series of non-cumulative preferred shares of the Bank (including the series of Preferred Shares) then issued and outstanding and on all other non-cumulative shares ranking on a parity with the Preferred Shares of the Bank.

Purchase for Cancellation

Subject to the provisions of the Bank Act, the prior consent of the Superintendent and certain conditions being met, the Bank may at any time purchase for cancellation any series of Preferred Shares outstanding, in the open market at the lowest price or prices, as determined to be advisable, at which in the opinion of the Board of Directors of the Bank such shares are obtainable.

Issuance of Other Series of Preferred Shares

The Bank may issue other series of preferred shares ranking on parity with the Preferred Shares without the authorization of the holders of any outstanding Preferred Shares.

Voting Rights

Subject to the provisions of the Bank Act, the holders of a series of Preferred Shares as such will not be entitled to receive notice of, attend, or vote at, any meeting of the shareholders of the Bank unless and until the first time at which the Board

of Directors of the Bank has not declared the whole dividend on such series of Preferred Shares in respect of any quarter. In that event, the holders of such Preferred Shares will be entitled to receive notice of, and to attend, meetings of shareholders at which directors of the Bank are to be elected and will be entitled to one vote for each Preferred Share held. The voting rights of the holders of such series of Preferred Shares shall forthwith cease upon payment by the Bank of the first dividend on the series of Preferred Shares to which the holders are entitled subsequent to the time such voting rights first arose until such time as the Bank may again fail to declare the whole dividend on such series of Preferred Shares in any quarter, in which event such voting rights shall become effective again and so on from time to time.

Other Equity Instruments – Subordinated Capital Notes - General

The Bank currently has outstanding (a) US$1.25 billion 4.650% Fixed to Floating Rate Non-Cumulative Subordinated AT1 Capital Notes (NVCC) ("2017 AT1 Capital Notes"), (b) US$1.25 billion 4.900% Fixed Rate Resetting Perpetual Subordinated AT1 Capital Notes (NVCC) ("4.900% AT1 Capital Notes"), (c) $1.25 billion 3.70% Fixed Rate Resetting Limited Recourse Capital Notes, Series 1 (NVCC) ("3.70% LRCNs"), (d) $1.25 billion 3.70% Fixed Rate Resetting Perpetual Subordinated AT1 Capital Notes (NVCC) ("3.70% AT1 Capital Notes"), (e) US$600 million 3.625% Fixed Rate Resetting Limited Recourse Capital Notes, Series 2 (NVCC) ("3.625% LRCNs"), (f) US$600 million 3.625% Fixed Rate Resetting Perpetual Subordinated AT1 Capital Notes (NVCC) ("3.625% AT1 Capital Notes"), (g) $1.5 billion 7.023% Fixed Rate Resetting Limited Recourse Capital Notes, Series 3 (NVCC) ("7.023% LRCNs"), (h) $1.5 billion 7.023% Fixed Rate Resetting Perpetual Subordinated AT1 Capital Notes (NVCC) ("7.023% AT1 Capital Notes"), (i) US$750 million 8.625% Fixed Rate Resetting Limited Recourse Capital Notes, Series 4 (NVCC) ("8.625% LRCNs"), (j) US$750 million 8.625% Fixed Rate Resetting Perpetual Subordinated AT1 Capital Notes (NVCC) ("8.625% AT1 Capital Notes"), (k) US$750 million 8.000% Fixed Rate Resetting Limited Recourse Capital Notes, Series 5 (NVCC) ("8.000% LRCNs"), and (l) US$750 million 8.000% Fixed Rate Resetting Perpetual Subordinated AT1 Capital Notes (NVCC) ("8.000% AT1 Capital Notes", and together with the 2017 AT1 Capital Notes, the 4.900% AT1 Capital Notes, the 3.70% LRCNs, the 3.70% AT1 Capital Notes, the 3.625% LRCNs, the 3.625% AT1 Capital Notes, the 7.023% LRCNs, the 7.023% AT1 Capital Notes, the 8.625% LRCNs, the 8.625% AT1 Capital Notes and the 8.000% LRCNs, the "Subordinated Capital Notes"). The Subordinated Capital Notes have been determined to be compound instruments that have both equity and liability features. For more details, see note 25 of the consolidated financial statements for the year ended October 31, 2024.

The Subordinated Capital Notes are direct unsecured obligations of the Bank and rank pari passu with each other and subordinate to all of the Bank's indebtedness and in right of payment equally with and not prior to indebtedness that ranks equally in right of payment with, or is subordinated to, the Subordinated Capital Notes (other than indebtedness which by its terms ranks subordinate to the Subordinated Capital Notes). The Subordinated Capital Notes constitute subordinated indebtedness for the purposes of the Bank Act. In the event of the Bank's insolvency or winding-up (i) a Recourse Event (as defined below) will have occurred and pursuant to the limited recourse feature described below, an investment in the 3.70% LRCNs, the 3.625% LRCNs, the 7.023% LRCNs, the 8.625% LRCNs, and the 8.000% LRCNs (collectively, the "LRCNs"), will become an investment in the corresponding 3.70% AT1 Capital Notes, 3.625% AT1 Capital Notes, 7.023% AT1 Capital Notes, 8.625% AT1 Capital Notes, and 8.000% AT1 Capital Notes, respectively, and will be subject to the subordination provisions of such notes, and (ii) the 2017 AT1 Capital Notes, the 4.900% AT1 Capital Notes, the 3.70% AT1 Capital Notes, the 3.625% AT1 Capital Notes, the 7.023% AT1 Capital Notes, the 8.625% AT1 Capital Notes, and the 8.000% AT1 Capital Notes (collectively, the "AT1 Capital Notes") will rank ahead of the Bank's common shares and Preferred Shares.

The AT1 Capital Notes include terms providing for the full and permanent conversion of such securities into common shares of the Bank upon the occurrence of certain trigger events relating to NVCC requirements in order to qualify as regulatory capital.

Certain Provisions of the Subordinated Capital Notes

Distributions and Restrictions on Dividend and Retirement of Shares

Interest on the 2017 AT1 Capital Notes accrues at a floating rate, resets quarterly and is payable quarterly. Interest on each of the 4.900% AT1 Capital Notes, the 3.70% LRCNs, the 3.70% AT1 Capital Notes, the 3.625% LRCNs, the 3.625% AT1 Capital Notes, the 7.023% LRCNs, the 7.023% AT1 Capital Notes, the 8.625% LRCNs, the 8.625% AT1 Capital Notes, the 8.000% LRCNs and the 8.000% AT1 Capital Notes is payable quarterly in arrears at a fixed rate for the initial five years and thereafter, interest will reset every five years and accrue at a fixed rate. While interest on the AT1 Capital Notes is payable on a quarterly basis, the Bank may, at its discretion, with prior notice, cancel the interest payments on the AT1 Capital Notes. If the Bank does not pay the interest in full to the note holders, the Bank will not declare dividends on its common shares or

Preferred Shares or redeem or otherwise retire such shares until the month commencing after the Bank resumes full interest payments on the AT1 Capital Notes, unless such interest has been waived by the note holders.

Interest will be due and payable on the AT1 Capital Notes on an interest payment date only if it is not cancelled by the Bank. Any cancelled interest payments will not be cumulative. The Bank has the sole and absolute discretion (i) at any time in respect of the 2017 AT1 Capital Notes and 4.900% AT1 Capital Notes, and (ii) at any time while the 3.70% AT1 Capital Notes, the 3.625% AT1 Capital Notes, the 7.023% AT1 Capital Notes, the 8.625% AT1 Capital Notes and the 8.000% AT1 Capital Notes are no longer held by the LRT Trustee (defined below), and for any reason to cancel (in whole or in part), with notice to the holders of the AT1 Capital Notes, any interest payment that would otherwise be payable on any interest payment date. As a result, the holder of AT1 Capital Notes may not receive any interest on any interest payment date or at any other times, and the holder will have no claims whatsoever in respect of that cancelled interest.

Interest payments on the LRCNs are non-deferrable, however, non-payment in cash of interest that is not cured within 5 business days results in a Recourse Event. Upon a Recourse Event, the holders of such LRCNs will receive the respective AT1 Capital Notes.

Maturity and Redemption

The LRCNs have a stated maturity. The AT1 Capital Notes have no scheduled maturity or redemption date. Accordingly, the Bank is not required to make any repayment of the principal amount of the AT1 Capital Notes except in the event of bankruptcy or insolvency and provided that the NVCC requirements have not been triggered. The Subordinated Capital Notes are redeemable at the sole discretion of the Bank five years after their issuance and every quarter or five years, as applicable, thereafter. The Subordinated Capital Notes are also redeemable following certain regulatory or tax events, in accordance with their terms. All redemptions are subject to regulatory consent. For more details, see note 25 of the consolidated financial statements for the year ended October 31, 2024.

Limited Recourse

The 3.70% AT1 Capital Notes, the 3.625% AT1 Capital Notes, the 7.023% AT1 Capital Notes, the 8.625% AT1 Capital Notes and the 8.000% AT1 Capital Notes (collectively, the “LRCN AT1 Capital Notes”) were issued by the Bank in connection with the Bank’s concurrent issuance of the respective LRCNs. The LRCN AT1 Capital Notes are held by Computershare Trust Company of Canada as trustee (the “LRT Trustee”) for Scotiabank LRCN Trust (the “Limited Recourse Trust”) for the benefit of the holders of corresponding LRCNs.

In the event of the occurrence of certain recourse events (each, a “Recourse Event”), which include (a) the non-payment in cash by the Bank of the principal amount of the LRCNs, together with any accrued and unpaid interest, on the maturity date, (b) the non-payment in cash by the Bank of the redemption price for the LRCNs when due in connection with a redemption of the LRCNs, (c) the non-payment in cash of interest for the LRCNs when due which is not cured within 5 business days, (d) an event of default (i.e. bankruptcy, insolvency, or liquidation of the Bank), or (e) a non-viability contingent capital trigger event, the trustee of the Limited Recourse Trust will deliver to holders of LRCNs their proportionate share of the assets then held by the Limited Recourse Trust, which will, except in limited circumstances, consist of the LRCN AT1 Capital Notes (other than in the case of a non-viability contingent capital trigger event, in which case such assets will be the common shares issued upon conversion of the related LRCN AT1 Capital Notes), in each case in full satisfaction of the Bank’s obligations under the LRCNs.

Purchase for Cancellation

Subject to regulatory consent, the Bank may at any time and from time to time, repurchase for cancellation any Subordinated Capital Notes in the open market, by tender or by private agreement, in any manner and at any price or at differing prices.

If at any time the Bank repurchases for cancellation the LRCNs, then the Bank shall, subject to regulatory consent, redeem such aggregate principal amount of the related LRCN AT1 Capital Notes that is equal to the aggregate principal amount of LRCNs purchased for cancellation by the Bank.

Events of Default

An event of default in respect of the Subordinated Capital Notes will occur only if the Bank becomes bankrupt or insolvent or becomes subject to the provisions of the *Winding-up and Restructuring Act* (Canada), consents to the institution of

bankruptcy or insolvency proceedings against it, resolves to wind-up, liquidate or dissolve, is ordered wound-up or otherwise acknowledges its insolvency. None of a default in the performance of any covenant contained in a trust indenture relating to the Subordinated Capital Notes, a failure to make a payment on the Subordinated Capital Notes when due (including any interest payment, whether as a result of cancellation or otherwise) or an NVCC automatic conversion upon the occurrence of a trigger event will constitute an event of default (although the non-payment by the Bank of the principal amount, together with any accrued and unpaid interest, on their maturity date, the non-payment in cash by the Bank of the redemption price when due in connection with a redemption of the LRCNs, and a non-viability contingent capital trigger event will constitute a recourse event for the LRCNs).

Issuance of other Senior or Pari Passu Securities

The terms governing the Subordinated Capital Notes do not limit the Bank's ability to incur additional indebtedness or to issue or repurchase securities, other than the restriction on retirement of shares noted above. The Bank may incur additional indebtedness without the authorization of the holders of the Subordinated Capital Notes.

Voting Rights

Holders of Subordinated Capital Notes are not entitled to any rights of holders of common shares, including any rights of shareholders to receive notice, to attend or to vote at any meeting of the shareholders of the Bank. If the Subordinated Capital Notes are converted into common shares of the Bank under NVCC requirements, holders of the Subordinated Capital Notes will become holders of the Bank's common shares and will only have rights as holders of common shares.

Constraints on Ownership of the Bank's Shares

The Bank Act contains restrictions on the issue, transfer, acquisition, beneficial ownership and voting of all shares of a chartered bank. Please refer to the section above entitled "Description of the Bank's Business – General Summary – Supervision and Regulation in Canada" for a summary of these restrictions.

Credit Ratings of Securities and Liquidity

Credit ratings affect the Bank's access to capital markets and borrowing costs, as well as the terms on which the Bank can conduct derivative and hedging transactions. The credit ratings and outlook that the rating agencies assign to the Bank are based on their own views and methodologies. The following ratings have been assigned to the Bank's securities by the rating agencies noted below, which are independent third parties. Credit ratings, including stability or provisional ratings, are not recommendations to purchase, sell or hold a security as they do not comment on market price or suitability for a particular investor. Ratings may not reflect the potential impact of all risks on the value of securities. In addition, real or anticipated changes in the rating assigned to a security will generally affect the market value of that security. Ratings are subject to revision or withdrawal at any time by the rating agency. Each rating listed in the chart below should be evaluated independently of any other rating applicable to the Bank's debt, Subordinated Capital Notes and Tier 1 Capital.

	Moody's Investor Service (Moody's)		**Standard & Poor's Ratings Services (S&P)**		**Fitch Ratings (Fitch)**		**Morningstar DBRS Limited**	
	Rating	**Rank[1]**	**Rating**	**Rank[1]**	**Rating**	**Rank[1]**	**Rating**	**Rank[1]**
Legacy Senior Debt [2]	Aa2	2 of 9	A+	3 of 10	AA	2 of 10	AA	2 of 10
Senior Debt [3]	A2	3 of 9	A-	3 of 10	AA-	2 of 10	AA (low)	2 of 10
Short-term deposits/commercial paper	P-1	1 of 4	A-1	1 of 6	F1+	1 of 6	R-1(high)	1 of 10
Subordinated debt	Baa1	4 of 9	A-	3 of 10	A	3 of 10	A (high)	3 of 10
Subordinated debt (NVCC) [4]	Baa1 (hyb)	4 of 9	BBB+	4 of 10	A	3 of 10	A(low)	3 of 10
Subordinated additional tier 1 capital notes (NVCC) [4]	Baa3 (hyb)	4 of 9	BBB-	3 of 9	BBB+	4 of 10	BBB (high)	4 of 10

	Moody's Investor Service (Moody's)		Standard & Poor's Ratings Services (S&P)		Fitch Ratings (Fitch)		Morningstar DBRS Limited	
	Rating	Rank[1]	Rating	Rank[1]	Rating	Rank[1]	Rating	Rank[1]
Limited Recourse Capital Notes (NVCC) [4]	Baa3 (hyb)	4 of 9	BBB-	3 of 9	BBB+	4 of 10	BBB (high)	4 of 10
Non-cumulative Preferred Shares (NVCC) [4][5]	Baa3 (hyb)	4 of 9	BBB-/P-2 (low) [6]	3 of 9 / 2 of 8	BBB+	4 of 10	Pfd-2	2 of 6
Outlook	Stable	N/A	Stable	N/A	Stable	N/A	Stable	N/A

(1) Rank, according to each rating agency's public website, refers to the assigned ratings ranking of all major assignable ratings for each debt of share class, 1 being the highest. Each assignable major rating may be modified further (+/-, high/low, 1/2/3) to show relative standing within the major rating categories.
(2) Includes: (a) Senior debt issued prior to September 23, 2018; and (b) Senior debt issued on or after September 23, 2018 which is excluded from the bank recapitalization "bail-in" regime.
(3) Subject to conversion under the bank recapitalization "bail-in" regime.
(4) Non-Viability Contingent Capital (NVCC)
(5) As at October 31, 2024, no Non-cumulative Preferred Shares were outstanding.
(6) Canadian Scale

On April 18, 2024, Morningstar DBRS affirmed the Bank's ratings and maintained the Outlook at Stable.
On June 17, 2024, Fitch affirmed the Bank's ratings and maintained the Outlook at Stable.
On November 6, 2023, Moody's affirmed the Bank's ratings and maintained the Outlook at Stable.
On October 30, 2024, S&P affirmed the Bank's ratings and maintained the Outlook at Stable.

The Bank makes payments in the ordinary course to the credit rating agencies for the rating services associated with the assignment of the credit ratings noted above. In addition, the Bank made customary payments in respect of certain other services provided to the Bank by the aforementioned credit rating agencies.

A definition of the categories of each rating as at December 3, 2024, has been obtained from the respective rating agency's website and is outlined in Schedule B, and a more detailed explanation may be obtained from the applicable rating agency.

MARKET FOR SECURITIES OF THE BANK

The Bank's common shares are listed under the stock symbol "BNS" on the Toronto Stock Exchange ("TSX") and the New York Stock Exchange ("NYSE"). From time to time, the Bank also has deposit notes and other securities listed on the UK Listing Authority, Singapore Stock Exchange, Swiss Stock Exchange and Taiwan Exchange.

Trading Price and Volume

The following table sets out the price range and trading volume of the Bank's securities on the TSX (as reported by Bloomberg) for the periods indicated:

	Common Shares	Preferred Shares Series 40[4]
November 2023		
-High Price ($)	$ 61.30	$23.40
-Low Price ($)	$ 55.83	$21.02
-Volume ('000)	111,179	375
December 2023		
-High Price ($)	$ 64.59	$25.22
-Low Price ($)	$ 59.61	$22.88
-Volume ('000)	159,414	1,588
January 2024		
-High Price ($)	$ 64.27	$25.01
-Low Price ($)	$ 60.82	$24.90
-Volume ('000)	138,713	784
February 2024		
-High Price ($)	$ 66.61	
-Low Price ($)	$ 61.57	
-Volume ('000)	110,157	
March 2024		
-High Price ($)	$ 70.40	
-Low Price ($)	$ 65.81	
-Volume ('000)	124,473	

4 Redeemed on January 29, 2024

	Common Shares	Preferred Shares Series 40
April 2024		
-High Price ($)	$ 69.07	
-Low Price ($)	$ 62.56	
-Volume ('000)	144,615	
May 2024		
-High Price ($)	$ 66.31	
-Low Price ($)	$ 63.00	
-Volume ('000)	96,312	
June 2024		
-High Price ($)	$ 65.16	
-Low Price ($)	$ 61.77	
-Volume ('000)	133,737	
July 2024		
-High Price ($)	$ 65.62	
-Low Price ($)	$ 61.49	
-Volume ('000)	145,024	
August 2024		
-High Price ($)	$ 67.43	
-Low Price ($)	$ 60.68	
-Volume ('000)	113,863	
September 2024		
-High Price ($)	$ 74.25	
-Low Price ($)	$ 66.97	
-Volume ('000)	168,288	
October 2024		
-High Price ($)	$ 74.29	
-Low Price ($)	$ 70.65	
-Volume ('000)	169,552	

Prior Sales

From time to time, the Bank issues principal at risk notes, which are securities issued by the Bank for which the amount payable at maturity is determined by reference to the price, value or level of an underlying interest, including one or more indices, exchange traded funds or a notional basket of equities or other securities or combination of any of the foregoing. For information about the Bank's issuance of subordinated indebtedness and other equity instruments since October 31, 2023, see notes 22 and 25 to the Bank's consolidated financial statements for the year ended October 31, 2024, which are incorporated herein by reference.

DIRECTORS AND EXECUTIVE OFFICERS OF THE BANK

Directors and Board Committees of the Bank

The following table sets out the Bank's directors as of December 3, 2024. The term of office of each director expires at the close of the Bank's next annual meeting of shareholders. Information concerning the nominees proposed by management for election as directors at the annual meeting of shareholders will be contained in the Bank's 2025 Management Proxy Circular.

Name and Place of Residence	Board Committee Memberships	Principal Occupation
Nora A. Aufreiter Toronto, Ontario, Canada (Director since August 25, 2014)	RC HCOB –Chair	Corporate Director
Guillermo E. Babatz Mexico City, Mexico (Director since January 28, 2014)	HCOB RC – Chair	Managing Partner of Atik Capital, S.C., an advisory firm that specializes in structuring financial solutions for its clients
Scott B. Bonham Atherton, California, U.S.A. (Director since January 25, 2016)	ACRC CGC	Corporate Director and co-founder of Intentional Capital, a privately-held real estate asset management company
Daniel (Don) H. Callahan Fairfield, Connecticut, U.S.A. (Director since June 15, 2021)	ACRC RC	Corporate Director and Non-Executive Chairman of Time USA LLC
W. Dave Dowrich Brooklyn, New York, U.S.A. (Director since June 1, 2022)	ACRC RC	Senior Executive Vice President and Chief Financial Officer of Teachers Insurance and Annuity Association of America (TIAA)

Name and Place of Residence	Board Committee Memberships	Principal Occupation
Michael B. Medline Toronto, Ontario, Canada (Director since September 1, 2023)	ACRC CGC	President and Chief Executive Officer, Empire Company Limited and Sobeys Inc., grocery retailers
Lynn K. Patterson Toronto, Ontario, Canada (Director since September 1, 2020)	HCOB RC	Corporate Director
Michael D. Penner London, United Kingdom (Director since June 26, 2017)	ACRC CGC	Corporate Director, Advisory Partner of Partners Group AG, a Swiss-based global private equity firm, Non-Executive Chairman of Partners Group (Canada) Inc., and Lead Operating Director and Chairman of US Infrastructure Corporation, a utility infrastructure company, and Enfragen, LLC, a renewable energy company
Una M. Power Vancouver, British Columbia, Canada (Director since April 12, 2016)	HCOB RC	Corporate Director
Aaron W. Regent Toronto, Ontario, Canada (Director since April 9, 2013)	ACRC CGC HCOB RC	Chair of the Board of the Bank and Founder, Chairman and Chief Executive Officer of Magris Performance Materials Inc., a leading North American performance minerals company
Calin Rovinescu, C.M. Toronto, Ontario, Canada (Director since November 1, 2020)	CGC –Chair HCOB	Corporate Director, venture capital investor and senior advisor to several corporations
Sandra J. Stuart Vancouver, British Columbia, Canada (Director since September 1, 2023)	CGC RC	Corporate Director
L. Scott Thomson Toronto, Ontario, Canada (Director since April 12, 2016)	None	President and Chief Executive Officer of the Bank
Steven C. Van Wyk Chicago, Illinois, U.S.A. (Director since November 15, 2024)	ACRC	Corporate Director
Benita M. Warmbold Toronto, Ontario, Canada (Director since October 29, 2018)	ACRC–Chair CGC	Corporate Director

Notes:
ACRC – Audit and Conduct Review Committee
CGC – Corporate Governance Committee
HCOB – Human Capital and Compensation Committee
RC – Risk Committee

All directors have held the positions, or other executive positions with the same, predecessor or associated firms, set out in this AIF for the past five years with the exception of: W. Dave Dowrich, who prior to joining TIAA in 2021 was Senior Executive Vice President and Chief Financial Officer of Prudential Financial's International Businesses, and prior to Prudential Financial, held several executive positions with AIG from 2013 to 2020 in Japan and the U.S., including the role of Chief Financial Officer of AIG Japan and Asia Pacific; Michael D. Penner, who prior to June 2024 was Lead Operating Director and Chairman of Careismatic Brands, Inc.; Calin Rovinescu, who prior to February 2021 was President and Chief Executive Officer of Air Canada; Sandra J. Stuart, who prior to September 2020 was President and Chief Executive Officer of HSBC Bank Canada; L. Scott Thomson, who prior to November 2022 was President and Chief Executive Officer of Finning International Inc.; and Steven C. Van Wyk, who from January 2021 until April 2024 was Chief Information Officer of HSBC Bank PLC and prior to December 2020 was Chief Information Officer of PNC Financial Services Group, Inc.

L. Scott Thomson is not independent, due to his position as President and Chief Executive Officer of the Bank.

Executive Officers of the Bank

The following are the Bank's executive officers, their titles and places of residence in Canada (except as otherwise noted) as of December 3, 2024:

Name and Principal Occupation	Place of Residence
L. Scott Thomson President and Chief Executive Officer	Toronto, Ontario
Rajagopal Viswanathan Group Head and Chief Financial Officer	Oakville, Ontario
Jacqueline Allard Deputy Head, Global Wealth Management	Toronto, Ontario
Francisco Aristeguieta Silva Group Head, International Banking	Florida, U.S.A.
Aris Bogdaneris Group Head, Canadian Banking	Toronto, Ontario
Glen Gowland Vice Chair	Toronto, Ontario
Travis Machen Chief Executive Officer and Group Head, Global Banking and Markets	Texas, U.S.A.
Jenny Poulos Chief Human Resources Officer	Toronto, Ontario
Philip Thomas Group Head and Chief Risk Officer	Cobourg, Ontario
Tim Clark Group Head and Chief Information Officer	Oakville, Ontario
Ian Arellano Executive Vice President and General Counsel	Toronto, Ontario
Anique Asher Chief Strategy and Operating Officer	Etobicoke, Ontario
Stephen Bagnarol Executive Vice President, International Commercial Banking	Mexico City, Mexico
Paul Baroni Executive Vice President, Finance and Chief Financial Officer, Canadian Banking	Toronto, Ontario
Alex Besharat Executive Vice President, Canadian Wealth Management	Toronto, Ontario
Tracy Bryan Executive Vice President, Digital transformation and Client Experience	Whitby, Ontario
John Doig Executive Vice President, Retail Sales	Etobicoke, Ontario
Julie Walsh Executive Vice President & Chief Compliance Officer	Toronto, Ontario
Nicole Frew Executive Vice President and Co-Head, Global Banking and Markets, U.S.	Toronto, Ontario
Neal Kerr Executive Vice President, Global Asset Management	Toronto, Ontario
Chris Manning Executive Vice President, Canadian Commercial Banking	Mississauga, Ontario
Loretta Marcoccia Executive Vice President and Chief Global Operations Officer	Etobicoke, Ontario
Diego Masola Executive Vice President and Country Head, Chile	Santiago, Chile
Shannon McGinnis Executive Vice President & Deputy Chief Risk Officer	Toronto, Ontario

Name and Principal Occupation	Place of Residence
Adrián Otero Rosiles Executive Vice President and Country Head, Mexico	Mexico City, Mexico
Sebastian Arcuri Executive Vice President & Country Head, Peru	Lima, Peru
Anya M. Schnoor Executive Vice President, Global Insurance	Toronto, Ontario
Paul Scurfield Executive Vice President & Global Head, Capital Markets	Toronto, Ontario
Steve Sparkes Executive Vice President, Chief Information Security Officer and Enterprise Platforms	New York, U.S.A.
Maria Theofilaktidis Executive Vice-President and Chief Auditor	Toronto, Ontario
Martin Weeks Executive Vice President and Group Treasurer	Oakville, Ontario
Terri-Lee Weeks Executive Vice President, Tangerine	Toronto, Ontario

All of the executive officers of the Bank have been actively engaged for more than five years in the affairs of the Bank in executive or senior management capacities, except: Terri-Lee Weeks, who prior to September 2021, was Senior Vice President, Personal Savings & Investments, Royal Bank of Canada; L. Scott Thomson, who prior to November 2022 was President and Chief Executive Officer of Finning International Inc.; Jacqueline Allard, who prior to September 2023, was an Executive Vice President responsible for consumer lending and international banking businesses from January 2019 to July 2023 and Senior Vice President responsible for strategy and marketing functions for personal and commercial banking from February 2016 to January 2019 each at Royal Bank of Canada; Francisco Aristeguieta Silva, who prior to May 2023, was CEO Institutional Services from July 2020 to January 2023 and CEO State Street International from July 2019 to July 2020 each at State Street Corp and CEO Asia Pacific from July 2015 to April 2019 at Citigroup Inc.; Aris Bogdaneris, who prior to September 2023, was a member of the Management Board from June 2015 to July 2023 at ING Bank; Neal Kerr, who prior to March 2019, was Executive Vice President at CI Financial Corp. from March 2018 to February 2019; Eugenia (Jenny) Poulos, who prior to October 2023, was Senior Vice President, Talent Services & Operations at Royal Bank of Canada from July 2020 to Sept 2023 and Senior Vice President Workforce Strategy and Employee Experience at Royal Bank of Canada from July 2017 to June 2020; Steve Sparkes, who prior to October 2021, was Managing Director, Head of Cyber Security Technology at Bank of America Corporation; Shannon McGinnis who prior to April 2024, was Executive Vice President, Non-Financial Risk Management from December 2021 to April 2024 and Senior Vice President, Enterprise and Operational Risk Management from February 2020 to December 2021 and Senior Vice President, Operational and Model Risk Management from May 2018 to February 2020 each at Toronto-Dominion Bank Group; Sebastian Arcuri who prior to September 2024, was Founder of GlobalArch Consulting Fintech Group, from January 2023 to June 2024 and Global Head Efficiency and Productivity, Consumer Private and Business Banking of Standard Chartered Bank, from January 2021 to December 2021 and Managing Director of Consumer, Private and Business Banking for South East Asia and South Asia of Standard Chartered Bank, from July 2014 to December 2020 and Chairman of the Board of Permata Bank (40% owned by Standard Chartered), from January 2016 to May 2020; and Tim Clark who prior to November 2024, was Executive Vice President and Chief Information Officer, Canadian Retail at Toronto-Dominion Bank from February 2012 to November 2024.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the best of the Bank's knowledge, the Bank confirms that no director or executive officer of the Bank:

(a) is, as at the date of this AIF or has been within the last 10 years, a director, chief executive officer or chief financial officer of any company that was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued:

(i) while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(ii) after the director or executive officer ceased to be a director, chief executive officer or chief financial officer

and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;

(b) is, as at the date of this AIF, or has been within the last 10 years, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) has, or within 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer,

except for Mr. Michael Penner, who until June 13, 2024, was a director of Careismatic Brands Inc., which filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code on January 22, 2024.

To the best of the Bank's knowledge, none of the directors or executive officers of the Bank have been subject to (a) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or have entered into a settlement agreement with a Canadian securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Shareholdings of Management

To the knowledge of the Bank, as at October 31, 2024, the directors and executive officers of the Bank as a group beneficially owned, directly or indirectly, or exercised control or direction over less than one per cent of the outstanding common shares of the Bank. As at October 31, 2024, the Bank's directors or executive officers own, or exercise control or direction over, less than one percent of the outstanding shares of any of the Bank's subsidiaries.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

In the ordinary course of business, the Bank and its subsidiaries are and have been subject to a variety of legal proceedings, including civil claims and lawsuits, regulatory examinations, investigations, audits, and requests for information by various governmental regulatory agencies and law enforcement authorities in various jurisdictions. Some of these matters may involve novel legal theories and interpretations and may be advanced under criminal as well as civil statutes, and some proceedings could result in the imposition of civil, regulator enforcement or criminal penalties. In view of the inherent difficulty of predicting the outcome of such matters, the Bank cannot state what the eventual outcome of such matters will be. However, based on current knowledge, management does not believe that liabilities, if any, arising from pending litigation or regulatory proceedings will have a material adverse effect on the Consolidated Statement of Financial Position or results of operations of the Bank.

Legal provisions are established when it becomes probable that the Bank will incur an expense related to a legal action or regulatory proceeding and the amount can be reliably estimated. Such provisions are recorded at the best estimate of the amount required to settle any obligation related to these legal actions as at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Management and internal and external experts are involved in estimating any amounts that may be required. The actual costs of resolving these claims may vary significantly from the amount of the legal provisions. The Bank's estimate involves significant judgement, given the varying stages of the
proceedings, the fact that the Bank's liability, if any, has yet to be determined and the fact that the underlying matters will change from time to time. As such, there is a possibility that the ultimate resolution of those legal actions may be material to the Bank's consolidated results of operations for any particular reporting period.

From time to time, in the ordinary course of business, the Bank and its subsidiaries have been and may be subject to penalties or sanctions imposed by securities regulatory authorities, which may include late filing fees, or have entered or may enter into settlement agreements with securities regulatory authorities. As the Bank and its subsidiaries are subject to numerous regulatory authorities around the world, fees, administrative penalties, settlement agreements and sanctions may be categorized differently by each regulator. Any such penalties imposed under these categories against the Bank and its subsidiaries, however, are not material, nor would they likely be considered important to a reasonable investor in making

an investment decision. During the 2024 fiscal year, the Bank and its subsidiaries have not entered into any material settlement agreements with a court relating to securities legislation or with a securities regulatory authority.[5]

For more details, see note 24 of the consolidated financial statements for the year ended October 31, 2024.

On May 11, 2023, it was announced that the Bank entered into resolutions, including monetary penalties of US $22.5 million, with the U.S. SEC (US $7.5 million), and the CFTC (US $15 million), relating to electronic communications on unauthorized mobile devices and communications channels by certain personnel of the Bank's U.S. broker-dealer, U.S. swap dealer and U.S. futures commission merchant. This amount was previously fully provisioned. In addition, the Bank has agreed to retain a compliance consultant who will review, among other things, the Bank's policies and procedures, training, surveillance, technological solutions, and disciplinary framework related to communication channels and the preservation of electronic communications. Reports on these subjects will be provided to both the SEC and the CFTC. The resolutions also require the Bank to report – for a period of two years – to the SEC and CFTC any discipline imposed on personnel of the Bank's U.S. broker-dealer, U.S. swap dealer and U.S. futures commission merchant for violations of the Bank's policies and procedures concerning the preservation of electronic communications, including those found on personal devices.

The Bank, through its Peruvian subsidiary, is engaged in legal actions related to certain value-added tax assessed amounts and associated interest totaling $176 million, which arose from certain client transactions that occurred prior to the Bank's acquisition of the subsidiary. The legal action in Peru relating to the original assessed amount was heard by the Peruvian Constitutional Court in June 2023. That case was decided in favour of the Government of Peru in May 2024. Accordingly, the Bank paid $34 million representing the principal and associated reasonable interest, which was recorded in non-interest expenses – other. In November 2021, the Peruvian Constitutional Court dismissed the matter relating to the accrued default interest for procedural reasons. With respect to this default interest component, and in relation to the Constitutional Court of Peru's treatment of Scotiabank Peru, in October 2022, the Bank filed a request for arbitration against the Republic of Peru before the International Centre for the Settlement of Investment Disputes (the "ICSID"), pursuant to the provisions of the Canada-Peru Free Trade Agreement. In May 2024, the ICSID Tribunal issued a ruling that narrowed the scope of the Bank's case. This case is currently proceeding through the arbitration process. Following these developments, the Bank recorded a legal provision of $142 million in other liabilities – provisions, representing the amount at issue in the arbitration. The Bank intends to continue to vigorously advance its position.

On August 19, 2020, the Bank entered into a Deferred Prosecution Agreement ("DPA") with the U.S. Department of Justice (the "DOJ"). Additionally, the Commodity Futures Trading Commission (the "CFTC") issued three separate orders against the Bank (collectively, the "Orders"). The DPA and the Orders (together, the "Resolutions") resolve the DOJ's and CFTC's investigations into the Bank's activities and trading practices in the metals markets and related conduct as well as pre-trade mid-market marks and related swap dealer compliance issues.

Under the terms of the Resolutions, the Bank made aggregate payments to the DOJ and CFTC of approximately $127.5 million (USD) and has agreed to retain an independent compliance monitor, which the Bank engaged on April 1, 2021. Under one of the orders, the CFTC deferred proceedings to suspend or revoke the Bank's provisional registration as a swap dealer subject to the Bank's implementation of a remediation plan, among other conditions, which the Bank carried out under the oversight of the independent compliance monitor, which commenced its engagement in April 2021 and ended on September 30, 2024. The Bank has complied with the terms of the DPA and, as a result, on October 1, 2024, the United States District Court for the District of New Jersey granted the DOJ's motion (on behalf of the United States of America) to dismiss the Information filed against the Bank in 2020 in connection with the DPA.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the best of the Bank's knowledge, the Bank confirms that there are no directors or executive officers or any associate or affiliate of a director or executive officer with a material interest in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or will materially affect the Bank.

TRANSFER AGENT AND REGISTRAR

Computershare Trust Company of Canada is the Bank's transfer agent and registrar at the following addresses:

[5] National Instrument 14-101 limits the meaning of "securities legislation" to Canadian provincial and territorial legislation and "securities regulatory authority" to Canadian provincial and territorial securities regulatory authorities.

Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 and Computershare Trust Company N.A., 105 Energy Park Drive, St. Paul, Minnesota, 55108, U.S.

CONFLICTS OF INTEREST

To the knowledge of the Bank, no director or executive officer of the Bank has an existing or potential material conflict of interest with the Bank or any of its subsidiaries.

EXPERTS

The Bank's Auditors are KPMG LLP, Bay Adelaide Centre, 333 Bay Street, Suite 4600, Toronto, Ontario, M5H 2S5. KPMG LLP is independent of the Bank within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

THE BANK'S AUDIT AND CONDUCT REVIEW COMMITTEE

A copy of the Bank's Audit and Conduct Review Committee charter is attached to this AIF as Schedule C and can also be found on the Bank's website at www.scotiabank.com in the Board of Directors section.

The following directors are members of the Audit and Conduct Review Committee as of December 3, 2024: Benita M. Warmbold (Chair and financial expert), Scott B. Bonham, Daniel H. Callahan, W. Dave Dowrich (financial expert), Michael B. Medline, Michael D. Penner, Aaron W. Regent (financial expert), and Steven C. Van Wyk (financial expert). All of the members of the Committee are financially literate and independent as defined by Canadian and United States securities law. The Bank's Board of Directors has designated each of Benita M. Warmbold, W. Dave Dowrich, Aaron W. Regent, and Steven C. Van Wyk as an 'audit committee financial expert', as that term is defined by United States securities laws.

The education and related experience (as applicable) of each Audit and Conduct Review Committee member is described below.

Benita M. Warmbold (Chair) – Ms. Warmbold is a corporate director and the former Senior Managing Director and Chief Financial Officer of the Canada Pension Plan ("CPP") Investment Board, having retired from the latter in July 2017.

Over her nine years at CPP Investment Board, Ms. Warmbold was responsible for finance, risk, performance, tax, internal audit, legal, technology, data, and investment operations. Prior to joining the CPP Investment Board in 2008, Ms. Warmbold held senior leadership positions with Northwater Capital, Canada Development Investment Corporation, and KPMG. She is former Chair of the Canadian Public Accountability Board and a former member of the Intact Centre Climate Adaptation Advisory Board. Ms. Warmbold holds a B.Comm. (Honours) from Queen's University and is a Chartered Professional Accountant and a Fellow of CPA Ontario. Ms. Warmbold is a Fellow of the Institute of Corporate Directors and is a WXN Hall of Fame inductee.

Scott B. Bonham – Mr. Bonham is a corporate director and co-founder of Intentional Capital, a privately-held real estate asset management company. From 2000 to 2015, he was co-founder of GGV Capital, an expansion stage venture capital firm with investments in the U.S. and China. Prior to GGV Capital, he served as a Vice President of the Capital Group Companies, where he managed technology investments across several mutual funds from 1996 to 2000. Mr. Bonham has a B.Sc. in electrical engineering from Queen's University and an M.B.A. from Harvard Business School.

Daniel H. Callahan – Mr. Callahan is a corporate director and serves as the Non-Executive Chairman of Time USA, LLC. From 2007 until his retirement in December 2018, Mr. Callahan held several officer roles at Citigroup, including most recently as Citigroup's Chief Administrative Officer and Global Head of Operations, Technology and Shared Services. Prior to joining Citigroup, Mr. Callahan held various senior executive positions at Morgan Stanley and Credit Suisse. Earlier in his career, he spent 12 years at IBM, where he held a number of management positions, including Director of Strategy for IBM Japan. Mr. Callahan holds a B.A. in history from Manhattanville College, where he serves as Trustee Chair Emeritus.

W. Dave Dowrich – Mr. Dowrich is Senior Executive Vice President and Chief Financial Officer of Teachers Insurance and Annuity Association of America ("TIAA"). In addition to the core finance responsibilities, his remit also includes TIAA's Enterprise Transformation, the investment strategy of the enterprise's General Account, as well as TIAA Ventures, the strategic venture capital function of TIAA. Prior to joining TIAA in 2021, Mr. Dowrich served as CFO, International Businesses at Prudential Financial Inc., based in Tokyo, Japan. Prior to Prudential Financial, Mr. Dowrich held several

executive positions with American International Group (“AIG”) from 2013 to 2020 in Japan and the U.S., including the role of Chief Financial Officer of AIG Japan and Asia Pacific. Previously, Mr. Dowrich held senior roles in investment banking at Goldman Sachs and Credit Suisse. He began his career as a pension consulting actuary in Toronto, Ontario. Mr. Dowrich has a B.Sc. in actuarial science and applied statistics from the University of Toronto and an M.B.A. in finance from the Wharton School of the University of Pennsylvania. He is a Fellow of the Society of Actuaries, an Associate of the Canadian Institute of Actuaries, and a Member of the American Academy of Actuaries.

Michael B. Medline - Mr. Medline has served as President & Chief Executive Officer of Empire Company Limited and Sobeys Inc. since January 2017. Mr. Medline is a proven leader with a strong track record of success in Canadian retail. As part of his role, he oversees the implementation of Empire’s climate action plan and associated initiatives. Prior to his role at Empire, he also held senior retail leadership positions at Canadian Tire Corporation, including President & Chief Executive Officer. He began his career working with the Ontario Securities Commission, followed by two years practicing law with McCarthy Tétrault. He was Corporate Counsel for PepsiCo Canada before moving to Abitibi Consolidated Inc. where he held a variety of roles including Senior Vice President, Strategy and Corporate Development. Mr. Medline serves on the Board of Trustees for the Hospital for Sick Children and is the Chair of its Human Resources Committee. He is a board member of The BlackNorth Initiative, the Grocery Foundation, Huron University College at Western University, and The Sobey Foundation. He is former Chair of the Retail Council of Canada and the Grocery Foundation and was on the Board of SickKids Foundation and the Board of Governors for Canada’s Sports Hall of Fame. Mr. Medline holds an M.B.A. from Raymond A. Mason School of Business, William & Mary, an LL.B. from the University of Toronto, and a B.A. from Huron University College at Western University.

Michael D. Penner – Mr. Penner is a corporate director and an Advisory Partner of Partners Group AG, a Swiss-based global private equity firm. In this capacity, he serves as the Non-Executive Chairman of Partners Group (Canada) Inc., as well as Chair of Partners Group portfolio companies, United States Infrastructure Corporation and Enfragen Renewable Energy. Mr. Penner was Chair of the Board of Directors of Hydro-Quebec from 2014 to 2018. He was previously the President and Chief Executive Officer of Peds Legwear Inc. prior to its acquisition by Gildan Activewear Inc. in August 2016. Mr. Penner was instrumental in establishing the “Michael D. Penner Institute on ESG”, a multidisciplinary program supporting in-depth research into environmental, social, and governance issues at L’Université de Montréal. He has also served on the Board of Directors of ICD Quebec, Les Grands Ballets Canadiens de Montréal, and Selwyn House School. Mr. Penner holds a B.A. from McGill University and a J.D. from Hofstra University in New York.

Aaron W. Regent – Mr. Regent is Chair of the Board of Scotiabank. He is the Founder, Chairman, and Chief Executive Officer of Magris Performance Materials Inc., a leading North American performance materials company. He was President and Chief Executive Officer of Barrick Gold Corporation from January 2009 to June 2012. Previously, Mr. Regent was Senior Managing Partner of Brookfield Asset Management, Co-Chief Executive Officer of the Brookfield Infrastructure Group, an asset management company, and President and Chief Executive Officer of Falconbridge Limited. Mr. Regent holds a B.A. from the University of Western Ontario. He is a Chartered Professional Accountant and a Fellow of CPA Ontario.

Steven C. Van Wyk – Mr. Van Wyk is a corporate director and the former Group Chief Information Officer (CIO) of HSBC Bank PLC. Throughout his 40-year career, he held senior-level domestic and international information technology roles, including CIO of PNC Financial Services Group, Inc., Global CIO of ING Groep N.V., and multiple roles with Morgan Stanley, including several years as CIO/Chief Operating Officer of its Individual Investor Group. Mr. Van Wyk holds a B.A. in business management and accounting with a minor in computer science from the University of Central Iowa and was awarded an honorary Doctorate of Public Service from Central College in 2019. He is a Certified Public Accountant, Certified Internal Auditor, and Series 27 Financial/Operations Principal. Mr. Van Wyk chairs the Board of the Banking Industry Architecture Network, a non-profit seeking to establish a common architecture framework for enabling banking interoperability.

Auditor

Please refer to Table 80 on page 125 of the MD&A, which is incorporated herein by reference, for disclosure relating to the fees paid by the Bank to the Bank’s Auditor, KPMG LLP in each of the last two fiscal years. The nature of these services is described below:

- Audit services generally relate to the statutory audits and review of financial statements, regulatory required attestation reports, as well as services associated with registration statements, prospectuses, periodic reports and other documents filed with securities regulatory bodies or other documents issued in connection with securities offerings.

- Audit-related services include special attest services not directly linked to the financial statements, review of controls and procedures related to regulatory reporting, audits of employee benefit plans and consultation and training on accounting and financial reporting.
- Tax services outside of the audit scope relate primarily to specified review procedures required by local tax authorities, attestation on tax returns of certain subsidiaries as required by local tax authorities, and review to determine compliance with an agreement with the tax authorities.
- Other non-audit services are primarily for the review and translation of English language financial statements into other languages and other services.

The Audit and Conduct Review Committee has adopted policies and procedures (the "Policies") for the pre-approval of services performed by the Bank's Auditor. The objective of the Policies is to specify the scope of services permitted to be performed by the Bank's Auditor and to ensure the independence of the Bank's Auditor is not compromised through engaging them for other services. The Policies state that the Audit and Conduct Review Committee shall pre-approve the following: audit services (all such engagements provided by the Bank's Auditor as well as all such engagements provided by any other registered public accounting firm); and other permitted services to be provided by the Bank's Auditor (primarily audit and audit-related services). The Bank's Auditor shall not be engaged in the provision of tax or other non- audit services, without the pre-approval of the Audit and Conduct Review Committee. The Policies also enumerate pre- approved services including specific audit, audit-related and other limited non-audit services that are consistent with the independence requirements of the U.S. Sarbanes-Oxley Act of 2002, Canadian independence standards for auditor and applicable legal requirements. The Policies are applicable to the Bank, its subsidiaries and entities that are required to be consolidated by the Bank. The Audit and Conduct Review Committee shall review and approve the Policies on a regular basis. The Policies do not delegate any of the Audit and Conduct Review Committee's responsibilities to management of the Bank.

ADDITIONAL INFORMATION

Additional information relating to the Bank may be found on the SEDAR+ website at www.sedarplus.ca and on the SEC's website at www.sec.gov/. For a description of Canadian bank resolution powers and the consequent risk factors attaching to certain liabilities of the Bank reference is made to www.scotiabank.com/ca/en/about/investors-shareholders/regulatory-disclosures/canadian-bank-resolution-powers-including-bail-in.html. Such information may also be found at www.sedarplus.ca and at www.sec.gov/submit-filings. Information contained in or otherwise accessible through the websites mentioned in this Annual Information Form does not form a part of this Annual Information Form. All references in this Annual Information Form to websites are inactive textual references and are for your information only. Additional information, including directors' and officers' compensation, indebtedness and options to purchase securities, principal holders of the Bank's securities and interests of insiders in material transactions, where applicable, is contained in the Management Proxy Circular. Additional financial information is provided in the Bank's consolidated financial statements and MD&A for the year ended October 31, 2024. A copy of such documents may be obtained upon request from the Corporate Secretary's Department, at 40 Temperance Street, Toronto, Ontario, M5H 0B4 Tel: (416) 866-3672. E-mail: corporate.secretary@scotiabank.com.

Schedule A

Principal subsidiaries [1]

The following table presents certain operating subsidiaries the Bank owns, directly or indirectly. All of these subsidiaries are included in the Bank's consolidated financial statements.

As at October 31 ($ millions)	Principal office	Carrying value of shares 2024[2]	2023[2]
Canadian			
Scotia Capital Inc.	Toronto, Ontario	$ 4,160	$ 3,723
BNS Investments Inc.	Toronto, Ontario	23,860	22,925
1832 Asset Management L.P.	Toronto, Ontario		
Montreal Trust Company of Canada	Montreal, Quebec		
MD Financial Management Inc.	Ottawa, Ontario	2,826	2,711
Jarislowsky, Fraser Limited	Montreal, Quebec	956	997
Scotia Securities Inc.	Toronto, Ontario	73	63
Tangerine Bank	Toronto, Ontario	4,154	4,529
The Bank of Nova Scotia Trust Company	Toronto, Ontario	704	610
Scotia Mortgage Corporation	Toronto, Ontario	843	780
National Trust Company	Stratford, Ontario	408	388
Roynat Inc.	Calgary, Alberta	741	674
Scotia Dealer Advantage Inc.	Hamilton, Ontario	924	912
International			
Scotia Holdings (USA) LLC[3]	New York, New York	7,654	7,218
Scotia Capital (USA) Inc.	New York, New York		
Scotia Financing (USA) LLC	New York, New York		
Nova Scotia Inversiones Limitada	Santiago, Chile	7,489	7,423
Scotiabank Chile S.A. (99.79%)	Santiago, Chile		
Grupo Financiero Scotiabank Inverlat, S.A. de C.V. (97.39%)	Mexico City, Mexico	6,966	6,812
Scotiabank Inverlat, S.A.	Mexico City, Mexico		
Scotia Peru Holdings S.A.	Lima, Peru	5,779	5,700
Scotiabank Peru S.A.A. (99.31%)	Lima, Peru		
Multiacciones S.A.S.	Bogota, Colombia	973	1,100
Scotiabank Colpatria, S.A.(55.98%)[4]	Bogota, Colombia		
Scotiabank Brasil S.A. Banco Multiplo	Sao Paulo, Brazil	796	914
Scotia Uruguay Holdings S.A.	Montevideo, Uruguay	681	585
Scotiabank Uruguay S.A.	Montevideo, Uruguay		
Scotiabank Republica Dominicana, S.A. – Banco Multiple (99.80%)	Santo Domingo, Dominican Republic	943	934
Scotiabank Caribbean Holdings Ltd.	Bridgetown, Barbados	1,608	1,527
Scotia Group Jamaica Limited (71.78%)	Kingston, Jamaica		
Scotiabank Trinidad and Tobago Limited (50.90%)	Port of Spain, Trinidad and Tobago		
Scotiabank (Barbados) Limited	Bridgetown, Barbados	237	307
BNS International (Bahamas) Limited	Nassau, Bahamas	11,180	13,842
Scotiabank (Bahamas) Limited	Nassau, Bahamas		
Scotiabank & Trust (Cayman) Ltd.	Grand Cayman, Cayman Islands		
Grupo BNS de Costa Rica, S.A.	San Jose, Costa Rica		
Scotiabank (Ireland) Designated Activity Company	Dublin, Ireland		

(1) The Bank (or immediate parent of an entity) owns 100% of the outstanding voting shares of each subsidiary unless otherwise noted.
(2) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements in the 2024 Annual Report.
(3) Effective July 1, 2023, Scotia Holdings (U.S.) Inc. converted to a Limited Liability Company and changed its name to Scotia Holdings (USA) LLC.
(4) The Bank made a capital contribution to Scotiabank Colpatria, S.A. in July 2023 which increased its ownership interest to 55.98% following the subsequent issuance of additional shares.

Subsidiaries may have a different reporting date from that of the Bank of October 31. Dates may differ for a variety of reasons including local reporting requirements or tax laws. In accordance with the Bank's accounting policies, for the purpose of inclusion in the consolidated financial statements of the Bank, adjustments are made where significant for subsidiaries with different reporting dates.

Schedule B

Definition of Credit Ratings

Moody's

Moody's short-term ratings are assigned to obligations with an original maturity of thirteen months or less and reflect both on the likelihood of a default or impairment on contractual financial obligations and the expected financial loss suffered in the event of default or impairment. Ratings of Prime-1 (or P-1) reflect a superior ability to repay short-term obligations.

Moody's long-term ratings are assigned to issuers or obligations with an original maturity of eleven months or more and reflect both on the likelihood of a default or impairment on contractual financial obligations and the expected financial loss suffered in the event of default or impairment. Obligations rated "Aa" are judged to be of high quality and are subject to very low credit risk. Obligations rated "A" are judged to be upper-medium grade and are subject to low credit risk. Obligations rated "Baa" are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Additionally, a "(hyb)" indicator is appended to all ratings of hybrid securities issued by banks, insurers, finance companies, and securities firms.

The Moody's rating outlook is an opinion regarding the likely rating direction over the medium term. The "Stable" outlook indicates a low likelihood of a rating change over the medium term.

S&P

S&P short-term issue credit ratings are generally assigned to those obligations considered short-term in the relevant market, typically with an original maturity of no more than 365 days. Short-term issue credit ratings are also used to indicate the creditworthiness of an obligor with respect to put features on long-term obligations. A short-term obligation rated "A-1" is rated in the highest category and indicates S&P's view that an obligor's capacity to meet its financial commitments on the obligation is strong.

S&P long-term issue credit ratings are based, in varying degrees, on S&P Global Ratings' analysis of the following considerations: likelihood of payment – the capacity and willingness of the obligor to meet its financial commitments on an obligation in accordance with the terms of the obligation; the nature of and provisions of the financial obligation, and the promise they impute; and the protection afforded by, and relative position of, the financial obligation in the event of a bankruptcy, reorganization, or other arrangement under the laws of bankruptcy and other laws affecting creditors' rights. A rating in the "A" category means the obligation is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitments on the obligation is still strong. An obligation rated in the "BBB" category indicates that the obligation exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation. Ratings from AA to CCC may be modified by the addition of a plus (+) or minus (–) sign to show relative standing within the major rating categories.

An S&P Global Ratings preferred share rating on the Canadian scale is a forward-looking opinion about the creditworthiness of an obligor with respect to a specific preferred share obligation issued in the Canadian market relative to preferred shares issued by other issuers in the Canadian market. There is a direct correspondence between the specific ratings assigned on the Canadian preferred share scale and the various rating levels on the global debt rating scale of S&P Global Ratings. The Canadian scale rating is fully determined by the applicable global scale rating, and there are no additional analytical criteria associated with the determination of ratings on the Canadian scale, and there are no additional analytical criteria associated with the determination of ratings on the Canadian scale. It is the practice of S&P Global Ratings to present ratings on an issuer's preferred shares on both the global rating scale and on the Canadian national scale when listing the ratings for a particular issuer. A reference to "high" or "low" reflects the relative strength within the rating category, and the absence of either a "high" or "low" designation indicates the rating is in the middle of the category.

An S&P Global Ratings outlook assesses the potential direction of a long-term credit rating over the intermediate term,

which is generally up to two years for investment grade and generally up to one year for speculative grade. In determining a rating outlook, consideration is given to any changes in economic and/or fundamental business conditions. Stable reflects a rating is not likely to change.

Fitch Ratings

A short-term issuer or obligation rating is based in all cases on the short-term vulnerability to default of the rated entity and relates to the capacity to meet financial obligations in accordance with the documentation governing the relevant obligation. Short-term deposit ratings may be adjusted for loss severity. Short-Term Ratings are assigned to obligations whose initial maturity is viewed as “short term” based on market convention (a long-term rating can also be used to rate an issue with short maturity). Typically, this means a timeframe of up to 13 months for corporate, sovereign, and structured obligations and up to 36 months for obligations in U.S. public finance markets. A rating of “F1+” denotes the highest short-term credit quality, indicating the strongest intrinsic capacity for the timely payment of financial commitments. The added “+” denotes an exceptionally strong credit feature.

Fitch publishes credit ratings that are forward-looking opinions on the relative ability of an entity or obligation to meet financial commitments. Issuer Default Ratings (IDRs) are assigned to corporations, sovereign entities, and financial institutions, such as banks, leasing companies and insurers, and public finance entities (local and regional governments). Issue-level ratings are also assigned and often include an expectation of recovery, which may be notched above or below the issuer-level rating. A rating of “AA” denotes expectation of very low default risk and indicates very strong capacity for payment of financial commitments; this capacity is not significantly vulnerable to foreseeable events. A rating of “A” denotes expectations of low default risk and the capacity for payment of financial commitments is considered strong; this capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. A rating of “BBB” indicates that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.

Within some of the rating levels, Fitch further differentiates the rankings by adding the modifiers “+” or “-” to denote relative status within major rating categories.

Rating Outlooks indicate the direction a rating is likely to move over a one- to two-year period. They reflect financial or other trends that have not yet reached or been sustained the level that would cause a rating action, but which may do so if such trends continue. The “Stable” rating outlook means that the rating is not likely to change over a one-to two-year period. Stable Outlooks can be raised or lowered without a prior revision to the Outlook.

Morningstar DBRS Limited

The Morningstar DBRS’ short-term debt rating scale provides an opinion on the risk that an issuer will not meet its short- term financial obligations in a timely manner. The R-1 and R-2 rating categories are further denoted by the subcategories “high”, “middle” and “low”. An obligation rated R-1(high) is of the highest credit quality and indicates the capacity for the payment of short- term financial obligations as they fall due is exceptionally high; unlikely to be adversely affected by future events.

The Morningstar DBRS long-term rating scale provides an opinion on the risk of default. That is, the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which a long-term obligation has been issued. Credit ratings are based on quantitative and qualitative considerations relevant to the issuer, and the relative ranking of claims. All rating categories from AA to CCC contain the subcategories “(high)” and “(low)”. The absence of either a “(high)” or “(low)” designation indicates the rating is in the middle of the category. Long-term financial obligations rated “AA” are of superior credit quality and capacity for the payment of financial obligations is considered high; credit quality differs from AAA only to a small degree; unlikely to be significantly vulnerable to future events. Long-term financial obligations rated “A” are of good credit quality and capacity for payment of financial obligations is substantial, but of lesser credit quality than AA; and may be vulnerable to future events, but qualifying negative factors are considered manageable.

The Morningstar DBRS preferred share rating scale is used in the Canadian securities market reflects an opinion of the risk that a borrower will not fulfill its related obligations in a timely manner, with respect to both dividend and principal commitments. Every Morningstar DBRS rating using the preferred share rating scale is based on quantitative and qualitative considerations relevant to the issuing entity. This scale may also apply to certain hybrid securities. Each rating category may be denoted by the subcategories “high” and “low”. The absence of either a “high” or “low” designation indicates the rating is in the middle of the category. Preferred shares rated Pfd-2 are generally of good credit quality. Protection of

dividends and principal is still substantial, but earnings, the balance sheet and coverage ratios are not as strong as Pfd-1 rated companies. Generally, Pfd-2 ratings correspond with issuers with an A category or higher reference point.

Rating trends provide guidance in respect of an opinion of Morningstar DBRS regarding the outlook for the credit rating in question. The "Stable" rating trend represents an indication that there is less likelihood that the rating could change in the future than would be the case if the rating trend was "Negative" or "Positive". The conditions that lead to the assignment of a Negative or Positive trend are generally resolved within a 12-month period. Morningstar DBRS's trends and ratings are under regular surveillance.

Schedule C

THE BANK OF NOVA SCOTIA

CHARTER

AUDIT AND CONDUCT REVIEW COMMITTEE OF THE BOARD OF DIRECTORS

The Audit and Conduct Review Committee of the Board of Directors (the "Committee") has the responsibilities and duties as outlined below and serves as the Bank's audit committee, conduct review committee and consumer protection committee.

AUDIT

A. Mandate

1. To perform such duties as may be required by:

   - the *Bank Act* (the "Bank Act"), the regulations thereunder and guidelines of the Office of the Superintendent of Financial Institutions Canada ("OSFI"); and
   - other applicable legislation and regulations, including those of the Ontario Securities Commission and the Canadian Securities Administrators, the Toronto Stock Exchange, the New York Stock Exchange, the Securities and Exchange Commission and the *Sarbanes-Oxley Act, 2002*,

   as more fully described under the heading "**Duties**" below.

2. To assist the Board of Directors (the "Board") in fulfilling its oversight responsibilities for:

   - the integrity of the Bank's consolidated financial statements and related quarterly results releases;
   - the system of internal control, including internal control over financial reporting and disclosure controls and procedures ("internal controls");
   - the external auditor's qualifications, independence and performance; and
   - the Bank's finance, compliance (including anti-money laundering, anti-terrorist financing and sanctions) and internal audit functions.

3. To perform such other duties as may from time to time be assigned to the Committee by the Board.

4. To act as the audit committee for any federally chartered Canadian financial institution beneficially owned by the Bank as determined by the Board.

B. Authority

The Committee has authority to:

- conduct or authorize investigations into any matters within its scope of responsibility;
- retain, as appropriate and at the Bank's expense, independent counsel, accountants or others to advise the Committee or assist in the conduct of an investigation;
- meet with Bank officers, the external auditor or outside counsel, as necessary;
- determine appropriate funding for independent advisors;
- communicate directly with the internal and external auditors;
- receive all material correspondence between the external auditor and management related to audit and interim review findings; and
- call a meeting of the Board to consider any matter of concern to the Committee.

C. Duties

The Committee shall:

Financial Information

- review the quarterly and annual consolidated financial statements of the Bank prior to approval by the Board and disclosure to the public, and satisfy itself that the financial statements present fairly the financial position, results of operations and cash flows of the Bank;
    - review should include discussion with management and the external auditor of significant issues, including significant accounting policies, regarding the financial results, accounting principles, practices and management estimates and judgments;
- satisfy itself that the Bank's accounting practices are prudent and appropriate;
- review the quarterly and annual Management's Discussion & Analysis of Financial Condition and Results of Operations ("MD&A") prior to review and approval by the Board;
- review any material proposed changes in accounting standards and securities policies or regulation relevant to the Bank's consolidated financial statements and approve any material changes in accounting policies related to the Bank's consolidated financial statements;
- review environmental, social and governance (ESG) disclosures, including climate-related disclosure, to be included in financial reporting as required by regulators or that may be required by law;
- review any tax matters material to the financial statements;
- be satisfied that adequate procedures are in place for the review of the Bank's public disclosure of all consolidated financial statements, related quarterly results press releases and financial information extracted or derived from the Bank's consolidated financial statements and periodically assess the adequacy of these procedures;
- review material financial press releases prior to public disclosure;
- review earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies prior to public disclosure;
- review investments and transactions that could adversely affect the well-being of the Bank brought to its attention by the external auditor or by any officer of the Bank;
- discuss significant financial risk exposures and the steps management of the Bank has taken to monitor, control and report such exposures;
- review and recommend to the Board for approval the Annual Information Form and Form 40-F; and
- review the process relating to and the certifications of the Chief Executive Officer and the Chief Financial Officer on the integrity of the Bank's quarterly and annual consolidated financial statements.

Internal Controls

- require Bank management to implement and maintain appropriate internal control procedures including anti-fraud controls and review, evaluate and approve, and recommend to the Board for approval, the Bank's Internal Control Policy, as part of the Bank's overall internal control framework;
- receive and review reports from management and internal audit on the design and operating effectiveness of the internal control framework and any significant control breakdowns, including any reports concerning significant deficiencies and material weaknesses in the design or operation of internal controls which are reasonably likely to adversely affect the Bank's ability to record, process, summarize and report financial information, and any fraud involving management or other employees who have a significant role in the Bank's internal controls;
    - as part of this review, the Committee should discuss with management whether any deficiencies identified may be systemic or pervasive; and
- receive and review the external auditor's audit report on the Bank's internal controls over financial reporting as of the Bank's year end.

Finance

- oversee the Finance Department, having regard to its independence, by:
    - reviewing and approving the appointment and/or removal of the Chief Financial Officer of the Bank;
    - annually reviewing and approving the mandate of the Chief Financial Officer and the charter of the Finance Department;
    - annually reviewing and approving the organizational structure of the Finance Department;
    - annually reviewing and approving the Finance Department's risk appetite statement, resources and budget;
    - annually assessing the effectiveness of the Chief Financial Officer and the effectiveness of the Finance Department, and annually approving the performance review of the Chief Financial Officer, taking into consideration any regulatory findings with respect to the finance function;
    - conveying its views to the Human Capital and Compensation Committee on the following matters:
        - the assessment of the effectiveness and performance review of the Chief Financial Officer;
        - considerations to be factored into the total compensation to be paid to the Chief Financial Officer; and
        - succession planning for the role of Chief Financial Officer;
    - overseeing that the Finance Department has unfettered access and a functional reporting line to the Committee;
    - periodically requesting independent reviews of the Finance Department, reviewing the results of such reviews and reporting such results to the Board; and
    - overseeing that deficiencies identified related to the Finance Department are remedied within an appropriate time frame and reporting to the Board on the progress of necessary corrective actions.

Compliance

- approve the Compliance Risk Summary Framework;
- require management to establish processes and review and approve the policy established for the receipt, retention, treatment and resolution of complaints received by the Bank regarding accounting, internal accounting controls or auditing matters, including confidential, anonymous submissions from employees, as part of the Bank's Whistleblower Policy (Enterprise-wide), and carry out the Committee's responsibilities under the Bank's Whistleblower Policy (Enterprise-wide), as required.
- receive reports from management on the Bank's compliance with legal and regulatory requirements and the adequacy and effectiveness of the Bank's compliance controls, including:
    - review the annual and other periodic reports of the Global Compliance Function; and
    - follow up with management on plans to remediate any deficiencies identified in reports and on any regulatory recommendations or findings, and discuss if weaknesses may exist elsewhere;
- meet, on its own or with the Board, with representatives of OSFI to discuss OSFI's supervisory results;
- meet with Bank management to review and discuss the Bank's response to OSFI's recommendations and suggestions pursuant to their supervisory activities;
- review any issues raised by Internal Audit that address the appropriateness and effectiveness of the Bank's Compliance Risk Summary Framework and management of significant compliance risks;
- oversee the Global Compliance Function, having regard to its independence, by:
    - reviewing and approving the appointment and/or removal of the Chief Compliance Officer;
    - annually reviewing and approving the mandate for the Chief Compliance Officer and the charter of the Global Compliance Function;
    - annually reviewing and approving the organizational structure of the Global Compliance Function;
    - annually reviewing and approving the Global Compliance Function's risk appetite statement, resources and budget;
    - annually assessing the effectiveness of the Chief Compliance Officer and the effectiveness of the Global Compliance Function, and annually approving the performance review of the Chief Compliance Officer, taking into consideration any regulatory findings with respect to the Global Compliance Function;
    - conveying its view to the Human Capital and Compensation Committee on the following matters:
        - the assessment of the effectiveness and performance review of the Chief Compliance Officer;

- considerations to be factored into the total compensation to be paid to the Chief Compliance Officer; and
- succession planning for the role of Chief Compliance Officer;

- with respect to the Security-Based Swap Dealer ("SBSD") Chief Compliance Officer:
  - reviewing and approving the appointment and/or removal of the SBSD Chief Compliance Officer;
  - reviewing annual reports from the SBSD Chief Compliance Officer; and
  - reviewing and approving the total compensation to be paid to the SBSD Chief Compliance Officer;
- overseeing that the Global Compliance Function has unfettered access and a functional reporting line to the Committee;
- periodically requesting independent reviews of the Global Compliance Function, reviewing the results of such reviews and reporting such results to the Board; and
- overseeing that deficiencies identified related to the Global Compliance Function are remedied within an appropriate time frame and reporting to the Board on the progress of necessary corrective actions.

Anti-Money Laundering (AML)

- oversee the Bank's Enterprise Anti-Money Laundering and Anti-Terrorist Financing and Sanctions program (collectively, the "AML Program");
- review and approve the Bank's Enterprise Anti-Money Laundering and Anti- Terrorist Financing and Sanctions Policy and any significant changes thereto;
- receive reports on the Bank's compliance with legal and regulatory anti-money laundering requirements;
- review any issues raised by Internal Audit that address the appropriateness and effectiveness of the Bank's AML Program and management of significant risks with this program;
- regularly meet with the Group Chief Anti-Money Laundering Officer to discuss the effectiveness of the Bank's AML Program; and
- oversee the Enterprise Anti-Money Laundering and Anti-Terrorist Financing and Sanctions function (collectively, the "AML Function"), having regard to its independence, by:
  - reviewing and approving the appointment and/or removal of the Group Chief Anti-Money Laundering Officer;
  - annually reviewing and approving the job description of the Group Chief Anti-Money Laundering Officer and the charter of the AML Function;
  - annually reviewing and approving the organizational structure of the AML Function;
  - annually reviewing and approving the AML Function resources and budget;
  - annually assessing the effectiveness of the Group Chief Anti-Money Laundering Officer and the effectiveness of the AML Function, and annually approving the performance review of the Group Chief Anti-Money Laundering Officer, taking into consideration any regulatory findings with respect to the AML Function;
  - conveying its view to the Chief Compliance Officer and the Human Capital and Compensation Committee on the following matters:
    - the assessment of the effectiveness and performance review of the Group Chief Anti-Money Laundering Officer;
    - considerations to be factored into the total compensation to be paid to the Group Chief Anti-Money Laundering Officer; and
    - succession planning for the role of Group Chief Anti-Money Laundering Officer;
  - overseeing that the AML Function has unfettered access to the Committee;
  - periodically requesting independent reviews of the AML Function, reviewing the results of such reviews and reporting such results to the Board; and
  - overseeing that deficiencies identified related to the AML Function are remedied within an appropriate time frame and reporting to the Board on the progress of necessary corrective actions.

Internal Audit

- review the quarterly and other reports of the Chief Auditor;
- review any matters of significance that arose from non-audit engagements performed by the Audit Department;
- regularly meet with the Chief Auditor with and/or without management, to discuss the effectiveness of the Bank's internal control, risk management (including anti-money laundering) and governance processes;

- oversee the Audit Department, having regard to its independence, by:
    - reviewing and approving the appointment and/or removal of the Chief Auditor;
    - annually reviewing and approving the mandate of the Chief Auditor and the charter of the Audit Department;
    - annually reviewing and approving the organizational structure of the Audit Department;
    - annually reviewing and approving the annual audit plan, overall risk assessment methodology, budgets and resources of the Audit Department;
    - annually assessing the effectiveness of the Chief Auditor and the Audit Department, taking into consideration the objectivity and independence of the Bank's internal audit function, and annually approving the performance review of the Chief Auditor, taking into consideration any regulatory findings with respect to the Audit Department;
    - conveying its view to the Human Capital and Compensation Committee on the following matters:
        - the assessment of the effectiveness and performance review of the Chief Auditor;
        - considerations to be factored into the total compensation to be paid to the Chief Auditor; and
        - succession planning for the role of Chief Auditor;
    - periodically reviewing results of the internal Quality Assurance and Improvement Program;
    - periodically requesting independent reviews of the Audit Department, reviewing the results of such reviews and reporting such results to the Board;
    - overseeing that deficiencies identified related to the Audit Department are remedied within an appropriate time frame and reporting to the Board on the progress of necessary corrective actions; and
    - advising the Board of any recommendations for the continuous improvement of the Audit Department;
- ensure the Audit Department has unfettered access and a direct and independent reporting line to the Committee;
- provide for an open avenue of communication between the Audit Department and the Board;
- ensure that the Audit Department's recommendations are adequately considered and acted on, by providing the Audit Department with the authority to follow-up on observations and recommendations; and
- review and approve the Internal Audit Third Party Risk Management Policy.

External Auditor

- have responsibility for the oversight of the external auditor who reports directly to the Committee;
- recommend to the Board the retention or termination of the Bank's external auditor, subject to shareholder ratification;
- review and approve the annual audit plan and letter(s) of engagement, and as part of such review, satisfy itself that the Bank's audit plan is risk based and covers all relevant activities over a measurable cycle;
- annually review the external auditor's opinion on the annual financial statements, including the key audit matters and critical audit matters contained therein;
- review and evaluate the external auditor's qualifications, performance and independence, including a review and evaluation of the lead audit partner, taking into consideration the opinions of management and the Bank's Audit Department in such evaluation and any concerns raised by OSFI or other stakeholders about the external auditor's independence;
- consistent with the Committee's annual assessment and periodic comprehensive review of the external auditors, the Committee shall establish a policy that stipulates the criteria for the Bank tendering the contract for the role of the Bank's external auditor;
    - as part of this policy and any review undertaken by the Committee, the Committee should periodically consider whether to put the external auditor contract out for tender, taking into consideration the length of the current external auditor's tenure and the risks that tenure may pose to the external auditor's objectivity and independence;
- receive the Canadian Public Accountability Board's ("CPAB") annual public report, along with any notices required to be communicated by the external auditor to the Committee, including those required by CPAB, OSFI and the Public Company Accounting Oversight Board ("PCAOB");
- review and recommend to the Board the annual fee for the audit of the Bank's consolidated financial statements and internal control over financial reporting;
    - as part of this review, the Committee should satisfy itself that the level of audit fees is commensurate with the scope of work undertaken in consideration of financial reporting risks;
- review and pre-approve in accordance with established pre-approval policy, all services to be provided by the

external auditor, including audit and audit related services and permitted tax and non-audit services;

- delegate the authority to pre-approve non-audit services to a member of the Committee;
- review external auditor services pre-approved by the delegate of the Committee;
- review annually the total fees paid to the external auditor by required categories;
- at least annually, obtain and review reporting from the external auditor describing:
  - the firm's internal quality-control procedures;
  - the firm's internal procedures to ensure independence;
  - any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, regarding one or more independent audits of the Bank carried out by the firm, and any steps taken to deal with any such issues;
  - the skill and resources (amount and type) of the firm; and
  - an assessment of all relationships between the external auditor and the Bank that pertain to independence;
- review and recommend to the Board the rotation plan for partners on the engagement;
- meet with the external auditor and with management to discuss the quarterly and the annual consolidated financial statements and the Bank's disclosure under any MD&A;
- review with management and the external auditor all matters required to be communicated to the Committee under generally accepted auditing standards;
- review with the external auditor any audit problems or difficulties and management's response;
- discuss with the external auditor, as considered necessary by the Committee, any OSFI returns, investments or transactions reviewed by the Committee;
- resolve any disputes between the external auditor and management; and
- review and approve policies for the Bank's employment of current and former employees or partners of the current or former external auditor.

Other Duties

- review the periodic reports on litigation matters;
- review such returns as specified by OSFI;
- review such other periodic disclosure documents as required by regulators or that may be required by law;
- provide for an open avenue of communication between internal audit, the external auditor and the Board;
- annually, review the charter for the Committee and evaluate the Committee's effectiveness in fulfilling its mandate;
- prepare a committee report for inclusion in the Bank's management proxy circular; and
- institute and oversee special investigations as needed.

CONDUCT REVIEW

D. Mandate

1. To perform the duties with respect to the Bank's policies and procedures for ensuring its transactions with its related parties comply with Part XI of the Bank Act and any regulations thereunder as more fully described under the heading "**Duties**" below.
2. In the event a widely held bank holding company or insurance holding company has a significant interest in any class of shares of the Bank:
   - to establish policies for entering into transactions referred to in subsection 495.1(1) of the Bank Act, including transactions with a holding company or any other related party of the Bank that is an entity in which the holding company has a substantial investment; and
   - to review certain of the Bank's transactions that are referred to in subsection 495.3(1) of the Bank Act including any transaction with a widely held insurance or bank holding company or any other related party in which they hold a substantial investment.
3. To perform such duties as are required by the Bank Act to be dealt with by a committee of the Board concerning the monitoring of adherence to procedures for identifying potential conflicts of interest and for resolving such conflicts of interest, for restricting the use of confidential information, and as more fully described under the

heading “Duties” below.

4. To assist the Board in fulfilling its oversight responsibilities for:
   - setting standards of conduct and ethical behaviour; and
   - conduct reviews, risk culture and conduct risk.
5. To perform such other duties as are required under the Bank Act or by OSFI, or as may from time to time be assigned by the Board.
6. To act as the conduct review committee for any federally chartered Canadian financial institution beneficially owned by the Bank as determined by the Board.

E. <u>Duties</u>

1. Establish criteria for determining whether the value of transactions with related parties of the Bank is nominal or immaterial to the Bank;
2. Approve the terms and conditions of:
   - loans, other than margin loans, to senior officers of the Bank on terms and conditions more favourable to the senior officers than those offered to the public; and
   - loans to spouses or common-law partners of senior officers of the Bank on the security of mortgages of the principal residences of such spouses or common-law partners on terms and conditions more favourable than those offered to the public;
3. Approve the practice of the Bank making financial services, other than loans or guarantees, available to senior officers of the Bank or to spouses or common-law partners, or children who are less than 18 years of age of senior officers of the Bank, on terms and conditions more favourable than those offered to the public, provided the financial services are offered by the Bank to its employees on those favourable terms and conditions;
4. Require Bank management to establish policies and procedures to enable the Bank to verify that its transactions with related parties of the Bank comply with Part XI of the Bank Act and to review those policies and procedures and their effectiveness. These policies and procedures should, among other things, enable management to verify that:
   - all related party transactions are on terms and conditions at least as favourable to the Bank as market terms and conditions, other than transactions referred to in clauses 2 and 3 above;
   - loans to full-time senior officers, other than margin loans and mortgages on their principal residences, do not exceed the greater of twice their annual salaries and $100,000;
   - aggregate loans or guarantees to, and investments in the securities of any related party (subject to certain exceptions) do not exceed 2% of the Bank’s regulatory capital unless the approval of 2/3 of the Board has been obtained; and
   - aggregate loans or guarantees to, and investments in the securities of all related parties (subject to certain exceptions) do not exceed 50% of the Bank’s regulatory capital;
5. Review the practices of the Bank to identify any transactions with related parties of the Bank that may have a material effect on the stability or solvency of the Bank;
6. Monitor the procedures established by the Board to resolve conflicts of interest, including techniques for the identification of potential conflict situations and for restricting the use of confidential information;
7. Review and approve the Risk Culture & Conduct Risk Management Summary Framework;
8. Review and, if appropriate, recommend for Board approval any material changes to the Scotiabank Code of Conduct which includes the standards of conduct and ethical behaviour for employees, officers and directors of the Bank and its subsidiaries and recommend for approval by the Board any exceptions from the Scotiabank Code of Conduct, as appropriate;
9. Review reports from the Global Compliance Function on compliance with the Scotiabank Code of Conduct and

any instances of material deviation therefrom with corrective actions taken;

10. Review the annual letter of certification from the Executive Vice President and Chief Compliance Officer on completion of the Scotiabank Code of Conduct acknowledgment by directors, officers, and employees;

11. Monitor the Bank's exposure to material risks relating to conduct, risk culture, and anti-bribery and anti-corruption matters by reviewing the Bank's risk management practices including its identification, measurement, monitoring and assessment of these types of risks;

12. Review matters reported to the Committee included in the Chief Compliance Officer Report as it relates to the Enterprise Conduct, Risk Culture and Ethics programs, including Whistleblower and anti-bribery and anti-corruption matters;

13. Review with management the results of their assessment of the Bank's risk culture, conduct, and anti-bribery and anti-corruption risks, and their plans to remediate any material deficiencies identified; and

14. Monitor the processes established by the Bank to mitigate conduct risk.

CONSUMER PROTECTION

F. Mandate

1. To perform such duties as are required by the Bank Act to be dealt with by a committee of the Board with respect to the Bank's procedures for complying with the consumer provisions, including Part XII.2 of the Bank Act and its associated regulations and any Financial Consumer Agency of Canada ("FCAC") guidance, as more fully described under the heading "Duties" below.

2. To perform such other duties as are required under the Bank Act or by OSFI or the FCAC, or as may from time to time be assigned by the Board.

3. To act as the consumer protection committee for any federally chartered Canadian financial institution beneficially owned by the Bank as determined by the Board.

G. Duties

1. Require Bank management to establish procedures for complying with the consumer provisions, including Part XII.2 of the Bank Act and its associated regulations and any FCAC guidance;

2. Review such procedures referred to in clause 1 above to determine whether they are appropriate to ensure that the Bank is complying with the consumer provisions; and

3. Require Bank management to report at least annually to the Committee on the implementation of the procedures and on any other activities that the Bank carries out in relation to the protection of its customers.

COMMITTEE OPERATIONS

H. Reporting

After each meeting of the Committee, the Committee is required to report to the Board on matters reviewed by the Committee and on the Committee's recommendations at the next regularly scheduled Board meeting. The Committee shall also report as required to the Risk Committee on relevant issues.

The Chair of the Committee shall review, for completeness, the Board's report to OSFI with respect to conduct review matters on the Committee's activities during the year. This report must be filed within 90 days after the Bank's financial year-end.

The Chair of the Committee shall review, for completeness, the Board's report to FCAC with respect to consumer

protection matters on the Committee's activities during the year. This report must be filed within 90 days after the Bank's financial year-end.

The Committee shall review and assess the adequacy of this Charter on an annual basis and report the results of this review to the Corporate Governance Committee of the Board.

I. Composition

Structure

The Committee shall consist of a minimum of three Directors. No member of the Committee may serve on more than three audit committees of public company boards without the consent of the Corporate Governance Committee and the Board.

Each member must be financially literate or become financially literate within a reasonable period of time subsequent to his/her appointment to the Committee. At least one member must be a financial expert. There should also be a reasonable representation of other key competencies on the Committee, as determined by the Corporate Governance Committee.

Independence

The Committee is composed entirely of independent directors as defined in applicable laws, rules and regulations and as determined pursuant to the Director Independence Standards approved by the Board for Committee members.

No member of the Committee may be an officer or employee of the Bank or of any of its subsidiaries or affiliates.

No member may be a person who is affiliated with the Bank.

Directors' fees are the only compensation a member of the Committee may be paid by the Bank.

Appointment of Committee Members

Members of the Committee are appointed or reappointed annually by the Board, upon the recommendation of the Corporate Governance Committee, such appointments to take effect immediately following the annual meeting of the shareholders of the Bank. Members of the Committee shall hold office until their successors are appointed, or until they cease to be Directors of the Bank.

Vacancies

Vacancies may be filled for the remainder of the current term of appointment of members of the Committee by the Board, subject to the requirements under the headings "Structure" and "Independence" above.

Appointment and Qualifications of Committee Chair

The Board shall appoint from the Committee membership, a Chair for the Committee to preside at meetings. In the absence of the Chair, one of the other members of the Committee present shall be chosen by the Committee to preside at that meeting.

The Chair for the Committee must have all of the qualifications for Committee membership and have accounting or related financial management expertise.

J. Meetings

Calling of Meetings

Meetings of the Committee may be called by the Chair, by any two members of the Committee or the external auditor. Members may participate in meetings in person or by telephone, electronic or other communications facilities.

Written resolutions in lieu of a meeting are permitted, solely in accordance with the Bank Act.

The Committee shall hold an in camera session immediately prior to and/or following the conclusion of the regular agenda matters. The Committee shall also hold in camera sessions, separately at each Committee meeting, with each of the Chief Financial Officer, Chief Compliance Officer, Chief Auditor and the external auditor. The Committee shall also hold in camera sessions with the Group Chief Anti-Money Laundering Officer, as appropriate. The Committee shall also meet separately, at least quarterly, with management. The Committee may also meet with the Chief Risk Officer, as requested by the Committee or management from time to time.

To facilitate communication between the Committee and the Risk Committee, the Chair of the Risk Committee shall receive notice of all Committee meetings and may attend Committee meetings by invitation as a non-voting observer.

The Committee may invite any director, officer or employee or any other person to attend meetings to assist the Committee with its deliberations.

Notice of Meetings

Notice of meeting of the Committee shall be sent by prepaid mail, by personal delivery or other means of transmitted or recorded communication or by telephone at least 12 hours before the meeting to each member of the Committee at the member's address or communication number last recorded with the Corporate Secretary. A Committee member may in any manner waive notice of a meeting of the Committee and attendance at a meeting is a waiver of notice of the meeting, except where a member attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called.

Notice to the Internal Auditor and External Auditor

The Chief Auditor and the external auditor are entitled to receive notice of every meeting of the Committee and, at the expense of the Bank, to attend and be heard at each meeting and to have the opportunity to discuss matters with the independent directors, without the presence of management.

Frequency

The Committee shall meet at least quarterly.

Quorum

The quorum for a meeting of the Committee shall be a majority of its members, subject to a minimum of two members.

Delegation

The Committee may designate a sub-committee to review any matter within the Committee's mandate.

Secretary and Minutes

The Corporate Secretary or, in the absence of the Corporate Secretary, an Assistant Corporate Secretary of the Bank shall act as Secretary of the Committee.

Minutes of meetings of the Committee shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Committee and to the Board, if required by the Board.

This Charter was last reviewed and approved by the Board on June 24, 2024.

ENHANCED DISCLOSURE TASK FORCE (EDTF) RECOMMENDATIONS

The Enhanced Disclosure Task Force (EDTF) was established by the Financial Stability Board in May 2012 with the goal of developing fundamental disclosure principles. On October 29, 2012, the EDTF published its report, "Enhancing the Risk Disclosures of Banks," which sets forth recommendations around improving risk disclosures and identifies existing leading practice risk disclosures.

Below is the index of all these recommendations to facilitate easy reference in the Bank's annual report and other public disclosure documents available on www.scotiabank.com/investorrelations.

Reference Table for EDTF

			Pages		
Type of risk	Number	Disclosure	MD&A	Financial Statements	Supplementary Regulatory Capital Disclosures
General	1	The index of risks to which the business is exposed.	16		
	2	The Bank's risk to terminology, measures and key parameters.	75-78		
	3	Top and emerging risks, and the changes during the reporting period.	80-81, 85-91		
	4	Discussion on the regulatory development and plans to meet new regulatory ratios.	55-58, 100-103, 116		
Risk governance, risk management and business model	5	The Bank's Risk Governance structure.	72-74		
	6	Description of risk culture and procedures applied to support the culture.	75-78		
	7	Description of key risks from the Bank's business model.	79		
	8	Stress testing use within the Bank's risk governance and capital management.	75-76		
Capital Adequacy and risk-weighted assets	9	Pillar 1 capital requirements, and the impact for global systemically important banks.	55-58	205	4, 5
	10	a) Regulatory capital components.	59		24-26
		b) Reconciliation of the accounting balance sheet to the regulatory balance sheet.			20-21
	11	Flow statement of the movements in regulatory capital since the previous reporting period, including changes in common equity tier 1, additional tier 1 and tier 2 capital.	60-61		103
	12	Discussion of targeted level of capital, and the plans on how to establish this.	55-58		
	13	Analysis of risk-weighted assets by risk type, business, and market risk RWAs.	63-68, 79, 123	174	7, 39-42, 46-63, 76-81, 85, 100, 106, 112
	14	Analysis of the capital requirements for each Basel asset class.	63-68	174, 223-229	18-19, 39-81, 85, 90-93
	15	Tabulate credit risk in the Banking Book.	63-68	224	18-19, 39-64, 85, 90-93
	16	Flow statements reconciling the movements in risk-weighted assets for each risk-weighted asset type.	63-68		65, 84, 105
	17	Discussion of Basel III Back-testing requirement including credit risk model performance and validation.	64-66		66-69, 110
Liquidity Funding	18	Analysis of the Bank's liquid assets.	98-103		
	19	Encumbered and unencumbered assets analyzed by balance sheet category.	100		
	20	Consolidated total assets, liabilities and off-balance sheet commitments analyzed by remaining contractual maturity at the balance sheet date.	104-106		
	21	Analysis of the Bank's sources of funding and a description of the Bank's funding strategy.	103-104		
Market Risk	22	Linkage of market risk measures for trading and non-trading portfolios and the balance sheet.	97		
	23	Discussion of significant trading and non-trading market risk factors.	92-98	228-229	
	24	Discussion of changes in period on period VaR results as well as VaR assumptions, limitations, backtesting and validation.	92-98	228-229	
	25	Other risk management techniques e.g. stress tests, tail risk and market liquidity horizon.	92-98	228	
Credit Risk	26	Analysis of the aggregate credit risk exposures, including details of both personal and wholesale lending.	85-91, 118-123	184-185, 224-227	7, 39-42, 46-63, 76-81
	27	Discussion of the policies for identifying impaired loans, defining impairments and renegotiated loans, and explaining loan forbearance policies.		154-156, 185	
	28	Reconciliations of the opening and closing balances of impaired loans and impairment allowances during the year.	88, 118-121	185	36-37
	29	Analysis of counterparty credit risk that arises from derivative transactions.	82-84	172-175	111
	30	Discussion of credit risk mitigation, including collateral held for all sources of credit risk.	83-85, 89		
Other risks	31	Quantified measures of the management of operational risk.	67, 107-108		
	32	Discussion of publicly known risk items.	71		

Management's Discussion & Analysis

Management's Discussion and Analysis (MD&A) is provided to enable readers to assess the Bank's financial condition and results of operations as at and for the year ended October 31, 2024. The MD&A should be read in conjunction with the Bank's 2024 Consolidated Financial Statements, including the Notes. This MD&A is dated December 3, 2024.

Additional information relating to the Bank, including the Bank's 2024 Annual Report, are available on the Bank's website at www.scotiabank.com. As well, the Bank's 2024 Annual Report and Annual Information Form are available 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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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 2024 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," "outlook," "seek," "schedule," "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, including relating to the care and control of information, and other risks arising from the Bank's use of third parties; 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 and the global economy of war, conflicts or terrorist actions and unforeseen consequences arising from such actions; technological changes, including the use of data and artificial intelligence in our business, 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 cyberattacks) 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, denial of service 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; environmental, social and governance risks, including climate change, our ability to implement various sustainability-related initiatives (both internally and with our clients and other stakeholders) under expected time frames, and our ability to scale our sustainable-finance products and services; the occurrence of natural and unnatural catastrophic events and claims resulting from such events, including disruptions to public infrastructure, such as transportation, communications, power or water supply; inflationary pressures; global supply-chain disruptions; 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 2024 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 2024 Annual Report under the headings "Outlook", as updated by quarterly reports. The "Outlook" and "2025 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.

December 3, 2024

FINANCIAL HIGHLIGHTS

T1 Financial highlights

As at and for the years ended October 31	2024(1)	2023(1)
Operating results ($ millions)		
Net interest income	**19,252**	18,262
Non-interest income	**14,418**	13,952
Total revenue	**33,670**	32,214
Provision for credit losses	**4,051**	3,422
Non-interest expenses	**19,695**	19,121
Income tax expense	**2,032**	2,221
Net income	**7,892**	7,450
Net income attributable to common shareholders	**7,286**	6,919
Operating performance		
Basic earnings per share ($)	**5.94**	5.78
Diluted earnings per share ($)	**5.87**	5.72
Return on equity (%) (2)	**10.2**	10.3
Return on tangible common equity (%) (3)	**12.6**	12.9
Productivity ratio (%)(2)	**58.5**	59.4
Operating leverage (%)(2)	**1.5**	(9.3)
Net interest margin (%)(3)	**2.16**	2.12
Financial position information ($ millions)		
Cash and deposits with financial institutions	**63,860**	90,312
Trading assets	**129,727**	117,868
Loans	**760,829**	750,911
Total assets	**1,412,027**	1,411,043
Deposits	**943,849**	952,333
Common equity	**73,590**	68,767
Preferred shares and other equity instruments	**8,779**	8,075
Assets under administration (2)	**771,454**	673,550
Assets under management(2)	**373,030**	316,604
Capital and liquidity measures		
Common Equity Tier 1 (CET1) capital ratio (%) (4)	**13.1**	13.0
Tier 1 capital ratio (%) (4)	**15.0**	14.8
Total capital ratio (%) (4)	**16.7**	17.2
Total loss absorbing capacity (TLAC) ratio (%) (5)	**29.7**	30.6
Leverage ratio (%)(6)	**4.4**	4.2
TLAC Leverage ratio (%)(5)	**8.8**	8.6
Risk-weighted assets ($ millions) (4)	**463,992**	440,017
Liquidity coverage ratio (LCR) (%) (7)	**131**	136
Net stable funding ratio (NSFR) (%) (8)	**119**	116
Credit quality		
Net impaired loans ($ millions)	**4,685**	3,845
Allowance for credit losses ($ millions) (9)	**6,736**	6,629
Gross impaired loans as a % of loans and acceptances (2)	**0.88**	0.74
Net impaired loans as a % of loans and acceptances (2)	**0.61**	0.50
Provision for credit losses as a % of average net loans and acceptances (2)(10)	**0.53**	0.44
Provision for credit losses on impaired loans as a % of average net loans and acceptances (2)(10)	**0.52**	0.35
Net write-offs as a % of average net loans and acceptances (2)	**0.46**	0.32
Adjusted results(3)		
Adjusted total revenue ($ millions)	**33,813**	31,847
Adjusted non-interest expenses ($ millions)	**18,961**	18,253
Adjusted net income ($ millions)	**8,627**	8,363
Adjusted diluted earnings per share ($)	**6.47**	6.48
Adjusted return on equity (%)	**11.3**	11.6
Adjusted return on tangible common equity (%)	**13.7**	14.4
Adjusted productivity ratio (%)	**56.1**	57.3
Adjusted operating leverage (%)	**2.3**	(8.5)
Common share information		
Closing share price ($) (TSX)	**71.69**	56.15
Shares outstanding (millions)		
Average – Basic	**1,226**	1,197
Average – Diluted	**1,232**	1,204
End of period	**1,244**	1,214
Dividends paid per share ($)	**4.24**	4.18
Dividend yield (%)(2)	**6.5**	6.5
Market capitalization ($ millions) (TSX)	**89,214**	68,169
Book value per common share ($) (2)	**59.14**	56.64
Market value to book value multiple (2)	**1.2**	1.0
Price to earnings multiple (trailing 4 quarters) (2)	**12.0**	9.7
Other information		
Employees (full-time equivalent)	**88,488**	89,483
Branches and offices	**2,236**	2,379

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) Refer to Glossary on page 132 for the description of the measure.
(3) Refer to Non-GAAP Measures section starting on page 20.
(4) Commencing Q1 2024, regulatory capital ratios are based on Revised Basel III requirements as determined in accordance with OSFI Guideline – Capital Adequacy Requirements (November 2023). 2023 regulatory capital ratios are based on Revised Basel III requirements as determined in accordance with OSFI Guideline – Capital Adequacy Requirements (February 2023).
(5) This measure has been disclosed in this document in accordance with OSFI Guideline – Total Loss Absorbing Capacity (September 2018).
(6) The leverage ratios are based on Revised Basel III requirements as determined in accordance with OSFI Guideline – Leverage Requirements (February 2023).
(7) This measure has been disclosed in this document in accordance with OSFI Guideline – Public Disclosure Requirements for Domestic Systemically Important Banks on Liquidity Coverage Ratio (April 2015).
(8) This measure has been disclosed in this document in accordance with OSFI Guideline – Net Stable Funding Ratio Disclosure Requirements (January 2021).
(9) Includes allowance for credit losses on all financial assets – loans, acceptances,off-balance sheet exposures, debt securities, and deposits with financial institutions.
(10) Includes provision for credit losses on certain financial assets – loans, acceptances, andoff-balance sheet exposures.

NON-GAAP MEASURES

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 and are not calculated in accordance with Generally Accepted Accounting Principles (GAAP) which are based on International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), are not defined by GAAP and 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. These non-GAAP measures and ratios are used throughout this report and are defined below.

Adjusted results and adjusted diluted earnings per share

The following presents a reconciliation of GAAP reported financial results to non-GAAP adjusted financial results. Management considers both reported and adjusted results and measures useful in assessing underlying ongoing business performance. Adjusted results and measures remove certain specified items from revenue, non-interest expenses, income taxes and non-controlling interest. Presenting results on both a reported basis and adjusted basis allows readers to assess the impact of certain items on results for the periods presented, and to better assess results and trends excluding those items that may not be reflective of ongoing business performance.

T2 Reconciliation of reported and adjusted results and diluted earnings per share

As at October 31 ($ millions)	2024(1)	2023(1)
Reported Results		
Net interest income	**$ 19,252**	$ 18,262
Non-interest income	**14,418**	13,952
Total revenue	**33,670**	32,214
Provision for credit losses	**4,051**	3,422
Non-interest expenses	**19,695**	19,121
Income before taxes	**9,924**	9,671
Income tax expense	**2,032**	2,221
Net income	**$ 7,892**	$ 7,450
Net income attributable to non-controlling interests in subsidiaries (NCI)	**134**	112
Net income attributable to equity holders	**7,758**	7,338
Net income attributable to preferred shareholders and other equity instrument holders	**472**	419
Net income attributable to common shareholders	**$ 7,286**	$ 6,919
Diluted earnings per share *(in dollars)*	**$ 5.87**	$ 5.72
Weighted average number of diluted common shares outstanding *(millions)*	**1,232**	1,204
Adjustments		
Adjusting items impacting non-interest income and total revenue (Pre-tax)		
Divestitures and wind-down of operations	**$ 143**	$ (367)
Adjusting items impacting non-interest expenses (Pre-tax)		
Divestitures and wind-down of operations	**(7)**	–
Impairment of non-financial assets	**440**	346
Restructuring charge and severance provisions	**53**	354
Legal provision	**176**	–
Amortization of acquisition-related intangible assets	**72**	81
Consolidation of real estate and contract termination costs	**–**	87
Total non-interest expense adjusting items (Pre-tax)	**$ 734**	$ 868
Total impact of adjusting items on net income before taxes	**877**	501
Impact of adjusting items on income tax expense		
Divestitures and wind-down of operations	**(46)**	48
Impairment of non-financial assets	**(61)**	(73)
Restructuring charge and severance provisions	**(15)**	(96)
Amortization of acquisition-related intangible assets	**(20)**	(22)
Consolidation of real estate and contract termination costs	**–**	(24)
Canada recovery dividend	**–**	579
Total impact of adjusting items on income tax expense	**(142)**	412
Total impact of adjusting items on net income	**735**	913
Impact of adjusting items on NCI	**(2)**	(3)
Total impact of adjusting items on net income attributable to equity holders and common shareholders	**$ 733**	$ 910
Adjusted Results		
Adjusted net interest income	**$ 19,252**	$ 18,262
Adjusted non-interest income	**14,561**	13,585
Adjusted total revenue	**33,813**	31,847
Adjusted provision for credit losses	**4,051**	3,422
Adjusted non-interest expenses	**18,961**	18,253
Adjusted income before taxes	**10,801**	10,172
Adjusted income tax expense	**2,174**	1,809
Adjusted net income	**$ 8,627**	$ 8,363
Adjusted net income attributable to NCI	**136**	115
Adjusted net income attributable to equity holders	**8,491**	8,248
Adjusted net income attributable to preferred shareholders and other equity instrument holders	**472**	419
Adjusted net income attributable to common shareholders	**$ 8,019**	$ 7,829
Adjusted diluted earnings per share *(in dollars)*	**$ 6.47**	$ 6.48
Impact of adjustments on diluted earnings per share *(in dollars)*	**$ 0.60**	$ 0.76
Weighted average number of diluted common shares outstanding *(millions)*	**1,232**	1,204

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.

T3 Impact of adjustments on (income)/expenses

	For the year ended				For the three months ended			
	2024		2023		October 31, 2024		October 31, 2023	
($ millions)	Pre-tax	After-tax	Pre-tax	After-tax	Pre-tax	After-tax	Pre-tax	After-tax
(a) Divestitures and wind-down of operations	**$ 136**	**$ 90**	$ (367)	$ (319)	**$ –**	**$ –**	$ (367)	$ (319)
Impairment of non-financial assets:								
(b) Investment in associates	**343**	**309**	185	159	**343**	**309**	185	159
(b) Intangible assets including software	**97**	**70**	161	114	**97**	**70**	161	114
(c) Restructuring charge and severance provisions	**53**	**38**	354	258	**53**	**38**	354	258
(d) Legal provision	**176**	**176**	–	–	**–**	**–**	–	–
(e) Amortization of acquisition-related intangible assets	**72**	**52**	81	59	**19**	**13**	19	14
(f) Consolidation of real estate and contract termination costs	**–**	**–**	87	63	**–**	**–**	87	63
(g) Canada recovery dividend	**–**	**–**	–	579	**–**	**–**	–	–
Total	**$ 877**	**$ 735**	501	$ 913	**$ 512**	**$ 430**	$ 439	$ 289
Diluted EPS impact		**$ 0.60**		$ 0.76		**$ 0.35**		$ 0.24
CET1 Impact(1)		**(9 bps)**		(6 bps)		**(5 bps)**		6 bps

(1) Including related impacts on regulatory capital and risk-weighted assets.

The Bank's fiscal 2024 and 2023 results were adjusted for the following items. These amounts were recorded in the Other operating segment, unless otherwise noted.

a) Divestitures and wind-down of operations

In Q3 2024, the Bank entered into an agreement to sell CrediScotia Financiera, a wholly-owned consumer finance subsidiary in Peru, to Banco Santander. The Bank recognized an impairment loss of $143 million in non-interest income and a recovery of expenses of $7 million in non-interest expenses (collectively $90 million after-tax), majority of which relates to goodwill. In Q4 2023, the Bank sold its 20% equity interest in Canadian Tire's Financial Services business (CTFS) to Canadian Tire Corporation. The sale resulted in a net gain of $367 million ($319 million after-tax). For further details, please refer to Note 37 of the Consolidated Financial Statements.

b) Impairment of non-financial assets

In Q4 2024, the Bank recorded impairment charges of $343 million ($309 million after-tax) related to its investment in associate, Bank of Xi'an Co. Ltd. in China, driven primarily by the continued weakening of the economic outlook in China and whose market value has remained below the Bank's carrying value for a prolonged period (Q4 2023 – $185 million pre-tax and $159 million after-tax). In Q4 2024, the Bank recorded an impairment of software intangible assets of $97 million ($70 million after-tax). In Q4 2023, the Bank recorded an impairment of software and other intangible assets of $161 million ($114 million after-tax). For further details, please refer to Notes 18 and 19 of the Consolidated Financial Statements.

c) Restructuring charge and severance provisions

In Q4 2024, the Bank recorded severance provisions of $53 million ($38 million after-tax) related to the Bank's continued efforts to streamline its organizational structure and support execution of the Bank's strategy. In Q4 2023, the Bank recorded a restructuring charge and severance provisions of $354 million ($258 million after-tax) related to workforce reductions and changes as a result of the Bank's end-to-end digitization, automation, changes in customers' day-to-day banking preferences, as well as the ongoing efforts to streamline operational processes and optimize distribution channels. For further details, please refer to Note 24 of the Consolidated Financial Statements.

d) Legal provision

In Q3 2024, the Bank recognized a $176 million expense for legal actions in Peru relating to certain value-added tax assessed amounts and associated interest. The legal actions arose from certain client transactions that occurred prior to the Bank's acquisition of its Peruvian subsidiary. For further details, please refer to Note 24 of the Consolidated Financial Statements.

e) Amortization of acquisition-related intangible assets

These costs relate to the amortization of intangible assets recognized upon the acquisition of businesses, excluding software, and are recorded in the Canadian Banking, International Banking and Global Wealth Management operating segments.

f) Consolidation of real estate and contract termination costs

In Q4 2023, the Bank recorded costs of $87 million ($63 million after-tax) related to the consolidation and exit of certain real estate premises, as well as service contract termination costs, as part of the Bank's optimization strategy.

g) Canada recovery dividend

In Q1 2023, the Bank recognized an additional income tax expense of $579 million reflecting the present value of the amount payable for the Canada Recovery Dividend (CRD). The CRD is a Canadian federal tax measure which requires the Bank to pay a one-time tax of 15% on taxable income in excess of $1 billion, based on the average taxable income for the 2020 and 2021 taxation years. For further details, please refer to Note 28 of the Consolidated Financial Statements.

T4 Reconciliation of reported and adjusted results by business line

($ millions)	Canadian Banking[2]	International Banking[2]	Global Wealth Management	Global Banking and Markets	Other	Total[2]
	For the year ended October 31, 2024[1]					
Reported net income (loss)	**$ 4,274**	**$ 2,839**	**$ 1,586**	**$ 1,688**	**$ (2,495)**	**$ 7,892**
Net income attributable to non-controlling interests in subsidiaries (NCI)	**–**	**125**	**10**	**–**	**(1)**	**134**
Reported net income attributable to equity holders	**4,274**	**2,714**	**1,576**	**1,688**	**(2,494)**	**7,758**
Reported net income attributable to preferred shareholders and other equity instrument holders	**1**	**1**	**1**	**1**	**468**	**472**
Reported net income attributable to common shareholders	**$ 4,273**	**$ 2,713**	**$ 1,575**	**$ 1,687**	**$ (2,962)**	**$ 7,286**
Adjustments						
Adjusting items impacting non-interest income and total revenue (Pre-tax)						
Divestitures and wind-down of operations	**$ –**	**$ –**	**$ –**	**$ –**	**$ 143**	**$ 143**
Adjusting items impacting non-interest expenses (Pre-tax)						
Restructuring charge and severance provisions	**–**	**–**	**–**	**–**	**53**	**53**
Divestitures and wind-down of operations	**–**	**–**	**–**	**–**	**(7)**	**(7)**
Impairment of non-financial assets	**–**	**–**	**–**	**–**	**440**	**440**
Legal provision	**–**	**–**	**–**	**–**	**176**	**176**
Amortization of acquisition-related intangible assets	**4**	**32**	**36**	**–**	**–**	**72**
Total non-interest expenses adjustments (Pre-tax)	**4**	**32**	**36**	**–**	**662**	**734**
Total impact of adjusting items on net income before taxes	**4**	**32**	**36**	**–**	**805**	**877**
Impact of other adjusting items on income tax expense	**(1)**	**(9)**	**(10)**	**–**	**(122)**	**(142)**
Total impact of adjusting items on net income	**3**	**23**	**26**	**–**	**683**	**735**
Impact of adjusting items on NCI	**–**	**–**	**–**	**–**	**(2)**	**(2)**
Total impact of adjusting items on net income attributable to equity holders and common shareholders	**3**	**23**	**26**	**–**	**681**	**733**
Adjusted net income (loss)	**$ 4,277**	**$ 2,862**	**$ 1,612**	**$ 1,688**	**$ (1,812)**	**$ 8,627**
Adjusted net income attributable to equity holders	**$ 4,277**	**$ 2,737**	**$ 1,602**	**$ 1,688**	**$ (1,813)**	**$ 8,491**
Adjusted net income attributable to common shareholders	**$ 4,276**	**$ 2,736**	**$ 1,601**	**$ 1,687**	**$ (2,281)**	**$ 8,019**

(1) Refer to Business Line Overview on page 38.
(2) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.

($ millions)	Canadian Banking[2]	International Banking[2]	Global Wealth Management	Global Banking and Markets	Other	Total[2]
	For the year ended October 31, 2023[1]					
Reported net income (loss)	$ 3,984	$ 2,555	$ 1,440	$ 1,768	$ (2,297)	$ 7,450
Net income attributable to non-controlling interests in subsidiaries (NCI)	–	106	9	–	(3)	112
Reported net income attributable to equity holders	3,984	2,449	1,431	1,768	(2,294)	7,338
Reported net income attributable to preferred shareholders and other equity instrument holders	4	4	3	3	405	419
Reported net income attributable to common shareholders	$ 3,980	$ 2,445	$ 1,428	$ 1,765	$ (2,699)	$ 6,919
Adjustments						
Adjusting items impacting non-interest income and total revenue (Pre-tax)						
Divestitures and wind-down of operations	$ –	$ –	$ –	$ –	$ (367)	$ (367)
Adjusting items impacting non-interest expenses (Pre-tax)						
Restructuring charge and severance provisions	–	–	–	–	354	354
Consolidation of real estate and contract termination costs	–	–	–	–	87	87
Impairment of non-financial assets	–	–	–	–	346	346
Amortization of acquisition-related intangible assets	4	41	36	–	–	81
Total non-interest expenses adjustments (Pre-tax)	4	41	36	–	787	868
Total impact of adjusting items on net income before taxes	4	41	36	–	420	501
Impact of adjusting items on income tax expense						
Canada recovery dividend	–	–	–	–	579	579
Impact of other adjusting items on income tax expense	(1)	(11)	(10)	–	(145)	(167)
Total impact of adjusting items on income tax expense	(1)	(11)	(10)	–	434	412
Total impact of adjusting items on net income	3	30	26	–	854	913
Impact of adjusting items on NCI	–	–	–	–	(3)	(3)
Total impact of adjusting items on net income attributable to equity holders and common shareholders	3	30	26	–	851	910
Adjusted net income (loss)	$ 3,987	$ 2,585	$ 1,466	$ 1,768	$ (1,443)	$ 8,363
Adjusted net income attributable to equity holders	$ 3,987	$ 2,479	$ 1,457	$ 1,768	$ (1,443)	$ 8,248
Adjusted net income attributable to common shareholders	$ 3,983	$ 2,475	$ 1,454	$ 1,765	$ (1,848)	$ 7,829

(1) Refer to Business Line Overview on page 38.
(2) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.

Constant Dollar

International Banking business segment results are analyzed on a constant dollar basis which is a non-GAAP measure. Under the constant dollar basis, prior period amounts are recalculated using current period average foreign currency rates. The following table presents the reconciliation between reported, adjusted and constant dollar results for International Banking for prior periods. The Bank believes that constant dollar is useful for readers to understand business performance without the impact of foreign currency translation and is used by management to assess the performance of the business segment. The tables below are computed on a basis that is different than the table "Impact of foreign currency translation" in Overview of Performance on page 29.

T5 Reconciliation of International Banking's reported and adjusted results and constant dollar results

For the year ended October 31 ($ millions)	2023(1)		
(Taxable equivalent basis)	Reported results	Foreign exchange	Constant dollar
Net interest income	$ 8,131	$ 28	$ 8,103
Non-interest income	2,910	(164)	3,074
Total revenue	11,041	(136)	11,177
Provision for credit losses	1,868	(4)	1,872
Non-interest expenses	5,919	(38)	5,957
Income tax expense	699	(17)	716
Net Income	$ 2,555	$ (77)	$ 2,632
Net income attributable to non-controlling interest in subsidiaries	$ 106	$ 5	$ 101
Net income attributable to equity holders of the Bank	$ 2,449	$ (82)	$ 2,531
Other measures			
Average assets ($ billions)	$ 237	$ 3	$ 234
Average liabilities ($ billions)	$ 179	$ 1	$ 178

For the year ended October 31 ($ millions)	2023(1)		
(Taxable equivalent basis)	Adjusted results	Foreign exchange	Constant dollar adjusted
Net interest income	$ 8,131	$ 28	$ 8,103
Non-interest income	2,910	(164)	3,074
Total revenue	11,041	(136)	11,177
Provision for credit losses	1,868	(4)	1,872
Non-interest expenses	5,878	(40)	5,918
Income tax expense	710	(17)	727
Net Income	$ 2,585	$ (75)	$ 2,660
Net income attributable to non-controlling interest in subsidiaries	$ 106	$ 5	$ 101
Net income attributable to equity holders of the Bank	$ 2,479	$ (80)	$ 2,559

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.

Earning and non-earning assets, core earning assets, core net interest income and net interest margin

Net interest margin

Net interest margin is a non-GAAP ratio that is used to measure the return generated by the Bank's core earning assets, net of the cost of funding. Net interest margin is calculated as core net interest income divided by average core earning assets.

Components of net interest margin are defined below:

Earning assets

Earning assets are defined as income generating assets which include deposits with financial institutions, trading assets, investment securities, investments in associates, securities borrowed or purchased under resale agreements, loans net of allowances, and customers' liability under acceptances. This is a non-GAAP measure.

Non-earning assets

Non-earning assets are defined as cash, precious metals, derivative financial instruments, property and equipment, goodwill and intangible assets, deferred tax assets and other assets. This is a non-GAAP measure.

Core earning assets

Core earning assets are defined as interest-bearing deposits with financial institutions, investment securities and loans, net of allowances. This is a non-GAAP measure. The Bank believes that this measure is useful for readers as it presents the main interest-generating assets and eliminates the impact of trading businesses.

Core net interest income

Core net interest income is defined as net interest income earned from core earning assets. This is a non-GAAP measure.

T6 Calculation of net interest margin

Consolidated Bank

For the year ended October 31 *(Unaudited) ($ millions)*	2024(1)	2023(1)
Average total assets - Reported(2)	**$ 1,419,284**	$ 1,396,092
Less: Non-earning assets	**108,110**	114,375
Average total earning assets(2)	**$ 1,311,174**	$ 1,281,717
Less:		
Trading assets	**146,307**	121,735
Securities purchased under resale agreements and securities borrowed	**193,090**	187,927
Other deductions	**53,819**	73,780
Average core earning assets(2) (A)	**$ 917,958**	$ 898,275
Net Interest Income - Reported	**$ 19,252**	$ 18,262
Less: Non-core net interest income	**(620)**	(798)
Core net interest income (B)	**$ 19,872**	$ 19,060
Net interest margin (B/A)	**2.16%**	2.12%

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) Average balances represent the average of daily balances for the period.

Canadian Banking

For the year ended October 31 *(Unaudited) ($ millions)*	2024(1)	2023(1)
Average total assets - Reported(2)	**$ 449,469**	$ 449,555
Less: Non-earning assets	**4,393**	4,035
Average total earning assets(2)	**$ 445,076**	$ 445,520
Less:		
Other deductions	**16,380**	29,273
Average core earning assets(2)	**$ 428,696**	$ 416,247
Net Interest Income - Reported	**$ 10,842**	$ 9,761
Less: Non-core net interest income	**2**	–
Core net interest income	**$ 10,840**	$ 9,761
Net interest margin	**2.53%**	2.34%

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) Average balances represent the average of daily balances for the period.

International Banking

For the year ended October 31 *(Unaudited) ($ millions)*	2024(1)	2023(1)
Average total assets - Reported(2)	**$ 232,463**	$ 236,688
Less: Non-earning assets	**15,949**	19,414
Average total earning assets(2)	**$ 216,514**	$ 217,274
Less:		
Trading assets	**6,407**	6,018
Securities purchased under resale agreements and securities borrowed	**4,063**	3,218
Other deductions	**7,647**	7,684
Average core earning assets(2)	**$ 198,397**	$ 200,354
Net Interest Income - Reported	**$ 8,889**	$ 8,131
Less: Non-core net interest income	**123**	(60)
Core net interest income	**$ 8,766**	$ 8,191
Net interest margin	**4.42%**	4.09%

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) Average balances represent the average of daily balances for the period.

Return on equity

Return on equity is a profitability measure that presents the net income attributable to common shareholders as a percentage of average common shareholders' equity.

Adjusted return on equity is a non-GAAP ratio which represents adjusted net income attributable to common shareholders as a percentage of average common shareholders' equity.

Attributed capital and operating segment return on equity

The amount of common equity allocated to each operating segment is referred to as attributed capital. The attribution of capital within each operating segment is intended to approximate a percentage of the Basel III common equity capital requirements based on credit, market and operational risks and leverage inherent within each operating segment. Attributed capital is a non-GAAP measure.

Effective November 1, 2023, in line with OSFI's increased Domestic Stability Buffer announced requirements, the Bank increased the capital attributed to its business lines to approximate 11.5% of the Basel III common equity capital requirements. Previously, capital was attributed based on a methodology that approximated 10.5% of Basel III common equity capital requirements.

Return on equity for the operating segments is calculated as a ratio of net income attributable to common shareholders of the operating segment and the capital attributed. This is a non-GAAP measure.

Adjusted return on equity for the operating segments is calculated as a ratio of adjusted net income attributable to common shareholders of the operating segment and the capital attributed. This is a non-GAAP measure.

Return on equity by operating segment

T7 Return on equity by operating segment

For the year ended October 31, 2024 ($ millions)	Canadian Banking[1]	International Banking[1]	Global Wealth Management	Global Banking and Markets	Other	Total[1]
Reported						
Net income (loss) attributable to common shareholders	**$ 4,273**	**$ 2,713**	**$ 1,575**	**$ 1,687**	**$ (2,962)**	**$ 7,286**
Total average common equity[2][3]	**20,585**	**19,048**	**10,210**	**15,342**	**5,942**	**71,127**
Return on equity	**20.8%**	**14.2%**	**15.4%**	**11.0%**	**nm[4]**	**10.2%**
Adjusted[5]						
Net income (loss) attributable to common shareholders	**4,276**	**2,736**	**1,601**	**1,687**	**(2,281)**	**8,019**
Return on equity	**20.8%**	**14.4%**	**15.7%**	**11.0%**	**nm[4]**	**11.3%**

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) Average amounts calculated using methods intended to approximate the daily average balances for the period.
(3) Effective Q1 2024, the Bank increased the capital attributed to business lines to approximate 11.5% of Basel III common equity capital requirements. Previously, capital was attributed to approximate 10.5%. Prior period amounts have not been restated.
(4) Not meaningful.
(5) Refer to Tables on pages 20 and 22.

For the year ended October 31, 2023 ($ millions)	Canadian Banking[1]	International Banking[1]	Global Wealth Management	Global Banking and Markets	Other	Total[1]
Reported						
Net income (loss) attributable to common shareholders	$ 3,980	$ 2,445	$ 1,428	$ 1,765	$ (2,699)	$ 6,919
Total average common equity[2][3]	18,846	18,898	9,777	14,420	5,459	67,400
Return on equity	21.1%	12.9%	14.6%	12.2%	nm[4]	10.3%
Adjusted[5]						
Net income (loss) attributable to common shareholders	3,983	2,475	1,454	1,765	(1,848)	7,829
Return on equity	21.1%	13.1%	14.9%	12.2%	nm[4]	11.6%

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) Average amounts calculated using methods intended to approximate the daily average balances for the period.
(3) Effective Q1 2024, the Bank increased the capital attributed to business lines to approximate 11.5% of Basel III common equity capital requirements. Previously, capital was attributed to approximate 10.5%. Prior period amounts have not been restated.
(4) Not meaningful.
(5) Refer to Tables on pages 20 and 22.

Return on tangible common equity

Return on tangible common equity is a profitability measure that is calculated by dividing the net income attributable to common shareholders, adjusted for the amortization of intangibles (excluding software), by average tangible common equity. Tangible common equity is defined as common shareholders' equity adjusted for goodwill and intangible assets (excluding software), net of deferred taxes. This is a non-GAAP ratio.

Adjusted return on tangible common equity represents adjusted net income attributable to common shareholders as a percentage of average tangible common equity. This is a non-GAAP ratio.

T8 Return on tangible common equity

For the years ended October 31 ($ millions)	2024(1)	2023(1)
Reported		
Average common equity – reported(2)	**$ 71,127**	$ 67,400
Average goodwill(2)(3)	**(9,056)**	(9,376)
Average acquisition-related intangibles (net of deferred tax)(2)	**(3,629)**	(3,731)
Average tangible common equity(2)	**$ 58,442**	$ 54,293
Net income attributable to common shareholders – reported	**$ 7,286**	$ 6,919
Amortization of acquisition-related intangible assets (after-tax)(4)	**52**	59
Net income attributable to common shareholders adjusted for amortization of acquisition-related intangible assets (after-tax)	**$ 7,338**	$ 6,978
Return on tangible common equity	**12.6%**	12.9%
Adjusted(4)		
Adjusted net income attributable to common shareholders	**$ 8,019**	$ 7,829
Return on tangible common equity – adjusted	**13.7%**	14.4%

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) Average amounts calculated using methods intended to approximate the daily average balances for the period.
(3) Includes imputed goodwill from investments in associates.
(4) Refer to Tables on pages 20 and 22.

Adjusted productivity ratio

Adjusted productivity ratio represents adjusted non-interest expenses as a percentage of adjusted total revenue. This is a non-GAAP ratio.

Management uses the productivity ratio as a measure of the Bank's efficiency. A lower ratio indicates improved productivity.

Adjusted operating leverage

This financial metric measures the rate of growth in adjusted total revenue less the rate of growth in adjusted non-interest expenses. This is a non-GAAP ratio.

Management uses operating leverage as a way to assess the degree to which the Bank can increase operating income by increasing revenue.

Trading-related revenue (Taxable equivalent basis)

Trading-related revenue consists of net interest income and non-interest income. Included are unrealized gains and losses on trading security positions held, realized gains and losses from the purchase and sale of securities, fees and commissions from trading securities borrowing and lending activities, and gains and losses on trading derivatives. Underwriting and other advisory fees, which are shown separately in the Consolidated Statement of Income, are excluded. Trading-related revenue includes certain net interest income and non-interest income items on a taxable equivalent basis (TEB). This methodology grosses up tax-exempt income earned on certain securities to an equivalent before tax basis. This is a non-GAAP measure.

Management believes that this basis for measurement of trading-related revenue provides a uniform comparability of net interest income and non-interest income arising from both taxable and non-taxable sources and facilitates a consistent basis of measurement. While other banks also use TEB, their methodology may not be comparable to the Bank's methodology.

Adjusted effective tax rate

The adjusted effective tax rate is calculated by dividing adjusted income tax expense by adjusted income before taxes. This is a non-GAAP ratio.

OVERVIEW OF PERFORMANCE

Financial Results: 2024 vs 2023

Net income was $7,892 million in 2024, compared to $7,450 million in 2023, an increase of 6%. The increase was driven mainly by higher revenues and lower provision for income taxes, partly offset by higher provision for credit losses and non-interest expenses. Diluted earnings per share (EPS) were $5.87 in fiscal 2024 compared to $5.72 last year. Return on equity was 10.2% this year compared to 10.3% in fiscal 2023.

Adjusting items impacting net income in the current year were a net charge of $735 million after-tax ($877 million pre-tax). The net impact of the adjusting items on diluted earnings per share was $0.60 and on Basel III Common Equity Tier 1 (CET1) ratio was negative nine basis points. In the prior year, adjusting items were a net charge of $913 million after-tax ($501 million pre-tax), with an impact on diluted earnings per share of $0.76 and on Basel III Common Equity Tier 1 (CET1) ratio of negative six basis points. Refer to Non-GAAP Measures starting on page 20 for further details.

Adjusted net income was $8,627 million in 2024 compared to $8,363 million in 2023, an increase of 3%. The increase was driven mainly by higher revenues, partly offset by higher provision for credit losses, non-interest expenses and provision for income taxes. Adjusted diluted EPS were $6.47 compared to $6.48, and adjusted return on equity was 11.3% compared to 11.6%.

Net interest income was $19,252 million, an increase of $990 million or 5% due primarily to a higher net interest margin and asset growth. Higher net interest income in Canadian Banking and International Banking was partly offset by lower net interest income in the Other segment due mainly to higher funding costs and higher losses from hedges, partly offset by higher income from liquid assets. The net interest margin was 2.16%, an increase of four basis points, driven primarily by higher margins in Canadian Banking and International Banking. This was partly offset by a lower contribution from asset/liability management activities, including increased levels of high quality, lower yielding liquid assets.

Non-interest income was $14,418 million, an increase of $466 million or 3%. Adjusted non-interest income was $14,561 million, an increase of $976 million or 7% due mainly to higher wealth management revenues, other fees and commissions, underwriting and advisory fees, higher unrealized gains on non-trading derivatives, and the positive impact of foreign currency translation. These were partly offset by lower bankers' acceptance fees related to the conversion of bankers' acceptances to loans due to the cessation of CDOR in June 2024 ("BA conversion").

The provision for credit losses was $4,051 million compared to $3,422 million last year, an increase of $629 million due mainly to higher provision for credit losses on impaired loans, primarily in Canadian Banking and International Banking retail portfolios due to higher formations. The provision for credit losses on performing loans was lower this year, as prior year included higher provisions from the uncertainty of the impact of higher interest rates on consumers and the Bank's portfolios. The provision for credit losses ratio increased 9 basis points to 53 basis points.

Non-interest expenses were $19,695 million, an increase of $574 million or 3%. Adjusted non-interest expenses were $18,961 million, an increase of $708 million or 4%. The increase was due mainly to higher personnel costs related to performance and share-based compensation, inflationary adjustments and annual increases, higher technology-related costs and advertising and business development costs to support business growth, as well as higher professional fees. Business and capital taxes and the unfavourable impact of foreign currency translation also contributed to the increase. These were partly offset by lower communications expenses and the benefit from prior productivity initiatives. Operating leverage was positive 1.5% for fiscal 2024 and adjusted operating leverage was positive 2.3%.

The effective tax rate was 20.5% compared to 23.0% in 2023 due primarily to the Canada Recovery Dividend in the prior year, partly offset by lower tax-exempt income and higher non-deductible expenses. On an adjusted basis, the effective tax rate was 20.1% compared to 17.8% due primarily to lower tax-exempt income, partly offset by higher income in lower tax jurisdictions.

The Basel III Common Equity Tier 1 (CET1) ratio was 13.1% as at October 31, 2024, compared to 13.0% last year.

Medium-term financial objectives

The following table provides a summary of our 2024 performance against our medium-term financial objectives(1):

	2024 Results	
	Reported	Adjusted(2)
Diluted earnings per share growth of 7%+	2.6%	(0.2)%
Return on equity of 14%+	10.2%	11.3%
Achieve positive operating leverage	Positive 1.5%	Positive 2.3%
Maintain strong capital ratios	CET1 capital ratio of 13.1%	N/A

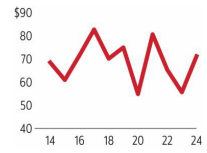
(1) Refer to the Risk Management section for further discussion on the Bank's risk management framework.
(2) Refer to Non-GAAP Measures on page 20.

Shareholder Returns

In fiscal 2024, the total shareholder return on the Bank's shares was 36%, compared to the total return of the S&P/TSX Composite Index of 32%. The total compound annual shareholder return on the Bank's shares over the past five years was 4.8%, and 5.6% over the past 10 years. This is below the total annual return of the S&P/TSX Composite Index over the past five years and ten years of 11.4% and 8.4%, respectively.

Dividends per share totaled $4.24 for the year, an increase of 1.4% from 2023. The Bank's target payout range is 40-50%. The dividend payout ratio for the year was 71%. The Board of Directors approved a quarterly dividend of $1.06 per common share, at its meeting on December 2, 2024. This quarterly dividend applies to shareholders of record at the close of business on January 7, 2025, and is payable January 29, 2025.

C1 Closing common share price as at October 31



T9 Shareholder returns

For the years ended October 31	2024	2023
Closing market price per common share ($)	**71.69**	56.15
Dividends paid ($ per share)	**4.24**	4.18
Dividend yield (%)(1)	**6.5**	6.5
Increase (decrease) in share price (%)	**27.7**	(14.7)
Total annual shareholder return (%)(1)	**35.9**	(9.1)

(1) Refer to Glossary on page 132 for the description of the measure.

Recent Developments

On August 12, 2024, the Bank announced an agreement to acquire an approximate 14.9% pro-forma ownership interest in KeyCorp for approximately U.S. $2.8 billion through an all-cash purchase of newly issued voting common shares, at a fixed price of U.S. $17.17 per share. The transaction will be completed in two stages, an initial investment of 4.9% (Initial Investment) and an additional investment of approximately 10% (Additional Investment), for a total pro-forma ownership of approximately 14.9%, subject to receipt of regulatory approvals. Upon completion of the Additional Investment, the Bank will have the right to designate two individuals to serve on KeyCorp's Board of Directors.

Acquisition of the Initial Investment of approximately 47.8 million shares was completed on August 30, 2024 for cash of U.S. $0.8 billion and recorded as an equity investment at fair value, with subsequent mark-to-market changes recorded in other comprehensive income.

Subject to regulatory approvals, the Additional Investment is expected to close in fiscal 2025. Upon completion of the Additional Investment, the Bank's total interest in KeyCorp of approximately 14.9% will be accounted for as an investment in associate, as the Bank will have significant influence over KeyCorp, given its board representation and ownership interest.

Any difference between the fixed transaction price and the quoted share price of KeyCorp at the date of acquisition of the Additional Investment will be recognized as a gain (loss) within profit or loss in the period of closing, with a corresponding increase (decrease) in the carrying value of the investment in associate.

Upon completion of the Additional Investment, the total impact to the Bank's CET1 ratio from both stages of the transaction is expected to be approximately 55 basis points.

Strategy, Economic Summary and Outlook

Strategy

The Bank's strategic vision is to be our clients' most trusted financial partner, while driving sustainable, profitable growth to maximize shareholder value. Our vision is driven by four strategic pillars: First, grow and scale in priority businesses, leveraging connectivity across North America and optimizing capital in lower return businesses. Second, earn more primary clients to build deeper, more meaningful relationships with a focus on value over volume. Third, focus on making it easier for our clients to do business with us; improving experiences while streamlining and digitizing processes. Last, win as one team by bringing the whole bank to our clients, while building and strengthening our culture where all employees can thrive. Our strategy is underpinned by strong risk management practices to keep our bank and our clients safe, and a robust balance sheet that provides flexibility and growth opportunities across changing market conditions.

Economic Summary

The change in administration in the United States inserts some uncertainty into the global economic outlook. Global central banks have begun a somewhat synchronized monetary easing as inflation approaches target rates in a large number of countries. This easing should support economic activity in coming years leading to gradual strengthening of the global economy. The results of the U.S. election raises some questions on the path forward for global growth and inflation that depend largely on the president-elect's approach to trade and immigration policy and the uncertainty this may create. In the short-run, proposed cuts to corporate tax rates are likely to support growth, as will efforts to ease the regulatory burden in some sectors of the economy. The imposition of broad-based tariffs would raise input costs for firms, putting upward pressure on prices and downward pressure on economic activity. Aggressive trade policies could raise the risk of retaliation from impacted countries, raising global inflation while reducing growth.

In Canada, the cuts in the Bank of Canada's policy rate should lead to a rebound in economic activity next year, from the roughly 1.2% expected in 2024 to around 2% next year. The interest-rate sensitive sectors of the economy, notably consumption and the housing sector, should underpin this modest recovery and there is already evidence of this occurring. With inflation largely under control, the Bank of Canada is forecast to lower interest rates until late spring, for a total cut of 200 basis points from peak policy rate to the 3% terminal value.

Further policy rate cuts are also expected in the U.S., though the economy there is substantially stronger than in other advanced economies. The past tightening in monetary policy should contribute to moderate growth next year, as the economy is expected to slow from a roughly 2.6% pace this year to around 1.8% in 2025. The U.S. outlook is subject to considerable policy uncertainty, which suggests the economy could be stronger than expected early next year, but then weaken somewhat if uncertainty remains high and changes in trade and immigration policies are implemented. Progress on the inflation front should allow the Federal Reserve to continue cutting interest rates until mid-2025.

Central banks in the Latin American countries are also in the process of normalizing interest rates, with further reductions in policy rates expected across the region. The impact of past interest rate increases continue to be felt across the region. As a consequence, growth is expected to moderate from the 2024 pace across most countries. Economic prospects are perhaps most challenging in Mexico, where the economic impacts of the judicial reform and other changes are yet to be fully understood. The incoming U.S. administration risks posing additional, though not currently quantifiable, headwinds for the Mexican economy.

Outlook

The Bank expects solid earnings growth in 2025, benefitting from strong net interest income growth and higher net interest margin, driven by lower funding costs and growth in both loans and deposits. Non-interest revenues are expected to grow more modestly. Earnings are expected to be impacted by a higher tax rate, driven by the impact of global minimum taxes and reduction in inflation in certain international countries, and higher provision for credit losses. The Bank expects moderate expense growth, as investments to strategically grow the Bank will be partly offset by productivity initiatives. The Bank is expected to generate positive operating leverage, and all capital and liquidity metrics are expected to remain strong in 2025.

Impact of Foreign Currency Translation

The impact of foreign currency translation on net income is shown in the table below.

T10 Impact of foreign currency translation

For the fiscal years	2024 Average exchange rate	2024 % Change	2023 Average exchange rate	2023 % Change
U.S. Dollar/Canadian Dollar	**0.735**	**(0.9)%**	0.742	(4.5)%
Mexican Peso/Canadian Dollar	**13.091**	**(2.5)%**	13.424	(15.0)%
Peruvian Sol/Canadian Dollar	**2.757**	**(1.1)%**	2.788	(7.1)%
Colombian Peso/Canadian Dollar	**2,943.081**	**(11.1)%**	3,309.943	3.9%
Chilean Peso/Canadian Dollar	**682.082**	**9.2%**	624.816	(6.7)%

Impact on net income (1) ($ millions except EPS)	2024 vs. 2023	2023 vs. 2022
Net interest income	**$ (31)**	$ 665
Non-interest income (2)	**243**	60
Non-interest expenses	**(70)**	(517)
Other items (net of tax) (2)	**(56)**	(158)
Net income	**$ 86**	$ 50
Earnings per share (diluted)	**$ 0.07**	$ 0.04
Impact by business line ($ millions)		
Canadian Banking	**$ 2**	$ 3
International Banking (2)	**90**	71
Global Wealth Management	**–**	23
Global Banking and Markets	**5**	62
Other (2)	**(11)**	(109)
	$ 86	$ 50

(1) Includes impact of all currencies.
(2) Includes the impact of foreign currency hedges.

GROUP FINANCIAL PERFORMANCE

Net Income

Net income was $7,892 million in 2024 compared to $7,450 million in 2023, an increase of 6%. The increase was driven mainly by higher revenues and lower provision for income taxes, partly offset by higher provision for credit losses and non-interest expenses.

Adjusted net income was $8,627 million compared to $8,363 million, an increase of 3%. The increase was driven mainly by higher revenues, partly offset by higher provision for credit losses, non-interest expenses and provision for income taxes. Refer to Non-GAAP Measures starting on page 20 for further details on adjusting items.

Net Interest Income

Net interest income was $19,252 million, an increase of $990 million or 5% due primarily to a higher net interest margin and asset growth. Higher net interest income in Canadian Banking and International Banking was partly offset by lower net interest income in the Other segment due mainly to higher funding costs and higher losses from hedges, partly offset by higher income from liquid assets.

The net interest margin was 2.16%, an increase of four basis points, driven primarily by higher margins in Canadian Banking and International Banking. This was partly offset by a lower contribution from asset/liability management activities, including increased levels of high quality, lower yielding liquid assets.

T11 Average balance sheet(1) and net interest income

	2024			2023		
For the fiscal years ($ billions)	**Average balance(2)**	**Interest**	**Average rate**	Average balance(2)	Interest	Average rate
Assets						
Deposits with financial institutions	**$ 64.5**	**$ 3.1**	**4.79%**	$ 77.6	$ 3.5	4.47%
Trading assets	**146.3**	**1.7**	**1.13%**	121.7	1.8	1.52%
Securities purchased under resale agreements and securities borrowed	**193.1**	**1.6**	**0.83%**	187.9	1.5	0.79%
Investment securities	**147.6**	**7.5**	**5.09%**	117.5	5.0	4.25%
Loans:						
Residential mortgages	**343.6**	**16.0**	**4.67%**	349.6	15.3	4.37%
Personal loans	**105.5**	**8.8**	**8.32%**	102.9	7.9	7.68%
Credit cards	**17.3**	**3.2**	**18.53%**	16.0	2.9	18.42%
Business and government	**289.9**	**19.8**	**6.82%**	293.4	18.9	6.45%
Allowance for credit losses	**(6.6)**			(5.8)		
Total loans	**$ 749.7**	**$ 47.8**	**6.38%**	$ 756.1	$ 45.0	5.96%
Customers' liability under acceptances	**10.0**			20.9		
Total average earning assets(3)	**$ 1,311.2**	**$ 61.7**	**4.70%**	$ 1,281.7	$ 56.8	4.43%
Other assets	**108.1**			114.4		
Total average assets	**$ 1,419.3**	**$ 61.7**	**4.34%**	$ 1,396.1	$ 56.8	4.07%
Liabilities and equity						
Deposits:						
Personal	**$ 292.4**	**$ 9.5**	**3.25%**	$ 279.2	$ 7.7	2.76%
Business and government	**610.2**	**28.2**	**4.63%**	621.3	26.2	4.22%
Financial institutions	**49.1**	**1.8**	**3.58%**	55.3	1.7	3.06%
Total deposits	**$ 951.7**	**$ 39.5**	**4.15%**	$ 955.8	$ 35.6	3.73%
Obligations related to securities sold under repurchase agreements and securities lent	**176.2**	**0.7**	**0.40%**	141.5	0.7	0.51%
Subordinated debentures	**8.5**	**0.5**	**5.74%**	9.4	0.5	5.01%
Other interest-bearing liabilities	**73.0**	**1.7**	**2.37%**	79.5	1.7	2.16%
Total interest-bearing liabilities	**$ 1,209.4**	**$ 42.4**	**3.51%**	$ 1,186.2	$ 38.5	3.25%
Financial instruments designated at fair value through profit or loss	**33.5**			25.7		
Other liabilities including acceptances	**94.9**			107.1		
Equity(4)	**81.5**			77.1		
Total liabilities and equity	**$ 1,419.3**	**$ 42.4**	**2.99%**	$ 1,396.1	$ 38.5	2.76%
Net interest income		**$ 19.3**			$ 18.3	

(1) Average of daily balances.
(2) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(3) Refer to Non-GAAP Measures on Page 20.
(4) Includes non-controlling interest of $1.7 (2023 – $1.6).

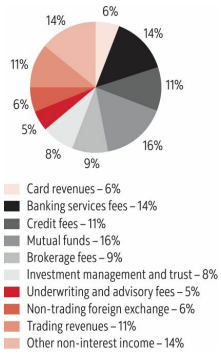
Non-Interest Income

T12 Non-interest income

For the fiscal years ($ millions)	2024(1)	2023(1)	2024 versus 2023
Banking			
Card revenues	$ 869	$ 778	12%
Banking services fees	1,955	1,879	4
Credit fees	1,585	1,861	(15)
Total banking revenues	$ 4,409	$ 4,518	(2)%
Wealth management			
Mutual funds	$ 2,282	$ 2,127	7%
Brokerage fees	1,251	1,117	12
Investment management and trust			
Investment management and custody	840	795	6
Personal and corporate trust	256	234	9
	1,096	1,029	7
Total wealth management revenues	$ 4,629	$ 4,273	8%
Underwriting and advisory fees	702	554	27
Non-trading foreign exchange	930	911	2
Trading revenues	1,634	1,580	3
Net gain on sale of investment securities	48	129	(63)
Net income from investments in associated corporations	198	153	29
Insurance service results	470	413	14
Other fees and commissions	1,247	1,073	16
Other(2)	151	348	(57)
Total non-interest income	$ 14,418	$ 13,952	3%
Non-GAAP Adjusting items(3)			
Divestitures and wind-down of operations (2)	143	(367)	
Adjusted non-interest income(3)	$ 14,561	$ 13,585	7%

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) Recorded in Other Non-interest Income.
(3) Refer to Non-GAAP Measures on page 20.

C2 Sources of non-interest income



Non-interest income was $14,418 million, an increase of $466 million or 3%. Adjusted non-interest income was $14,561 million (refer to Non-GAAP Measures starting on page 20), an increase of $976 million or 7% mainly due to higher wealth management revenues, other fees and commissions, underwriting and advisory fees, higher unrealized gains on non-trading derivatives, and the positive impact of foreign currency translation. These were partly offset by lower bankers' acceptance fees related to the BA conversion.

Banking revenues decreased $109 million or 2%, from lower bankers' acceptance fees related to the BA conversion, partly offset by higher card revenues and higher deposit and payment services fees.

Wealth management revenues increased $356 million or 8%, due to higher mutual fund revenues, brokerage fees, and investment management and trust revenues.

Underwriting and advisory fees increased by $148 million or 27%, due mainly to higher new issuance activities across all segments, including debt and equity capital markets.

Trading revenues increased $54 million or 3%, due mainly to increases in client-driven activity in the equities business, partly offset by lower trading revenues in the fixed income business.

Other fees and commissions increased by $174 million or 16% due mainly to higher securities borrowing and lending activities.

Net gain on sale of investment securities decreased by $81 million or 63%, due to lower realized gains on bond securities.

Net income from investments in associated corporations increased $45 million or 29%, due mainly to lower unrealized losses on private equity investments, partly offset by the impact of the divestiture of Canadian Tire Financial Services in the prior year.

Insurance underwriting income increased $57 million or 14%, due largely to lower claims expenses than the prior year and higher premiums.

Other income decreased by $197 million. On an adjusted basis, other income increased by $313 million due primarily to higher unrealized gains on non-trading derivatives, as well as higher investment gains.

T13 Trading-related revenues (1)

For the fiscal years ($ millions)	2024	2023
Trading-related revenue (TEB)(2)		
Net interest income	**$ (256)**	$ (260)
Non-interest income		
Trading revenues	**1,686**	2,017
Other fees and commissions	**613**	503
Total trading-related revenue (TEB)	**$ 2,043**	$ 2,260
Taxable equivalent adjustment	**(52)**	(437)
Trading-related revenue (Non-TEB)	**$ 1,991**	$ 1,823

(1) Refer to Non-GAAP Measures on page 20.
(2) Trading-related revenue consists of net interest income and non-interest income. Included are unrealized gains and losses on trading security positions held, realized gains and losses from the purchase and sale of trading securities, fees and commissions from securities borrowing and lending activities, and gains and losses on trading derivatives. Underwriting and other advisory fees, which are shown separately in the Consolidated Statement of Income, are excluded.

Provision for Credit Losses

The provision for credit losses was $4,051 million compared to $3,422 million last year, an increase of $629 million due mainly to higher provision for credit losses on impaired loans, primarily in Canadian Banking and International Banking retail portfolios due to higher formations. The provision for credit losses ratio increased 9 basis points to 53 basis points.

Provision for credit losses on performing loans was $121 million compared to $699 million. The provision this period reflects retail credit migration to impaired in International Banking, mainly in Mexico and Peru. Retail provisions were impacted by portfolio growth and higher interest rates, including related migration in retail portfolios in Canadian Banking. Commercial and corporate provisions were impacted by credit migration and the unfavourable macroeconomic outlook. Higher provisions last year were driven primarily by the unfavourable macroeconomic outlook and uncertainty resulting in migration on retail and certain sectors in commercial portfolios.

Provision for credit losses on impaired loans was $3,930 million compared to $2,723 million, an increase of $1,207 million, due primarily to higher formations in the International Banking retail portfolios, across most markets, as well as higher provisions in Canadian Banking. The provision for credit losses ratio on impaired loans increased 17 basis points to 52 basis points.

T14 Provision for credit losses by business line

	2024			2023		
For the fiscal years ($ millions)	**Performing (Stage 1 and 2)**	**Impaired (Stage 3)**	**Total**	Performing (Stage 1 and 2)	Impaired (Stage 3)	Total
Canadian Banking						
Retail	**$ 109**	**$ 1,257**	**$ 1,366**	$ 251	$ 848	$ 1,099
Commercial	**18**	**307**	**325**	238	106	344
Total	**127**	**1,564**	**1,691**	489	954	1,443
International Banking						
Retail	**(138)**	**2,040**	**1,902**	26	1,480	1,506
Commercial	**89**	**297**	**386**	73	285	358
Total	**(49)**	**2,337**	**2,288**	99	1,765	1,864
Global Wealth Management	**3**	**24**	**27**	6	4	10
Global Banking and Markets	**43**	**5**	**48**	101	–	101
Other	**–**	**–**	**–**	–	–	–
Provision for credit losses on loans, acceptances and off-balance sheet exposures	**$ 124**	**$ 3,930**	**$ 4,054**	$ 695	$ 2,723	$ 3,418
International Banking	**$ (3)**	**$ –**	**$ (3)**	$ 4	$ –	$ 4
Global Wealth Management	**–**	**–**	**–**	–	–	–
Global Banking and Markets	**(1)**	**–**	**(1)**	–	–	–
Other	**1**	**–**	**1**	–	–	–
Provision for credit losses on debt securities and deposits with banks	**$ (3)**	**$ –**	**$ (3)**	$ 4	$ –	$ 4
Total provision for credit losses	**$ 121**	**$ 3,930**	**$ 4,051**	$ 699	$ 2,723	$ 3,422

T14A Provision for credit losses against impaired financial instruments by business line

For the fiscal years ($ millions)	2024	2023
Canadian Banking		
Retail	**$ 1,257**	$ 848
Commercial	**307**	106
	$ 1,564	$ 954
International Banking		
Caribbean and Central America	**$ 194**	$ 161
Latin America		
Mexico	**404**	315
Peru	**554**	393
Chile	**587**	479
Colombia	**532**	349
Other Latin America	**66**	68
Total Latin America	**2,143**	1,604
	$ 2,337	$ 1,765
Global Wealth Management	**$ 24**	$ 4
Global Banking and Markets		
Canada	**$ (12)**	$ (9)
U.S.	**24**	14
Asia and Europe	**(7)**	(5)
	$ 5	$ –
Total	**$ 3,930**	$ 2,723

T15 Provision for credit losses as a percentage of average net loans and acceptances (1)(2)

For the fiscal years (%)	2024	2023
Canadian Banking		
Retail	**0.39%**	0.31%
Commercial	**0.35**	0.40
	0.38	0.32
International Banking		
Retail	**2.42**	1.96
Commercial	**0.44**	0.38
	1.37	1.09
Global Wealth Management	**0.11**	0.04
Global Banking and Markets	**0.04**	0.07
Provisions against impaired loans	**0.52**	0.35
Provisions against performing loans	**0.01**	0.09
Provision for credit losses as a percentage of average net loans and acceptances	**0.53%**	0.44%

(1) Includes provision for credit losses on certain financial assets - loans, acceptances, andoff-balance sheet exposures.
(2) Refer to Glossary on page 132 for the description of the measure.

T16 Net write-offs(1) as a percentage of average net loans and acceptances (2)

For the fiscal years (%)	2024	2023
Canadian Banking		
Retail	**0.34%**	0.21%
Commercial	**0.26**	0.12
	0.32	0.19
International Banking		
Retail	**2.43**	1.83
Commercial	**0.20**	0.20
	1.25	0.93
Global Wealth Management	**0.05**	–
Global Banking and Markets	**–**	–
Total	**0.46%**	0.32%

(1) Write-offs net of recoveries.
(2) Refer to Glossary on page 132 for the description of the measure.

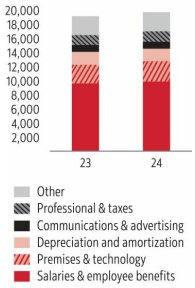
Non-Interest Expenses

T17 Non-interest expenses and productivity

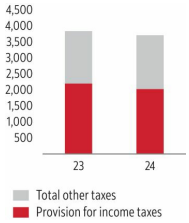
For the fiscal years ($ millions)	2024(1)	2023(1)	2024 versus 2023
Salaries and employee benefits			
Salaries	$ 5,663	$ 5,603	1%
Performance-based compensation	2,170	2,083	4
Share-based payments	371	331	12
Other employee benefits	1,651	1,573	5
	$ 9,855	$ 9,590	3%
Premises and technology			
Premises	571	544	5
Technology	2,325	2,113	10
	$ 2,896	$ 2,657	9%
Depreciation and amortization			
Depreciation	730	801	(9)
Amortization of intangible assets	1,030	1,019	1
	$ 1,760	$ 1,820	(3)%
Communications	$ 381	$ 395	(4)%
Advertising and business development	$ 614	$ 576	7%
Professional	$ 793	$ 779	2%
Business and capital taxes			
Business taxes	617	566	9
Capital taxes	65	68	(4)
	$ 682	$ 634	8%
Other	$ 2,714	$ 2,670	2%
Total non-interest expenses	$ 19,695	$ 19,121	3%
Non-GAAP adjusting items(2):			
Divestitures and wind-down of operations	7	–	
Impairment of non-financial assets	(440)	(346)	
Restructuring charge and severance provisions	(53)	(354)	
Legal provision	(176)	–	
Amortization of acquisition-related intangible assets	(72)	(81)	
Consolidation of real estate and contract termination costs	–	(87)	
	(734)	(868)	
Recorded in:			
Salaries and employee benefits	(46)	(38)	
Depreciation and amortization	(169)	(260)	
Other	(519)	(570)	
	(734)	(868)	
Adjusted non-interest expenses(2)	$ 18,961	$ 18,253	4%
Productivity ratio(3)	58.5%	59.4%	
Adjusted productivity ratio(2)	56.1%	57.3%	

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) Refer to Non-GAAP Measures starting on page 20.
(3) Refer to Glossary on page 132 for the description of the measure.

C3 Non-interest expenses $ millions



C4 Direct and indirect taxes $ millions



Non-interest expenses were $19,695 million, an increase of $574 million or 3%. Adjusted non-interest expenses were $18,961 million, an increase of $708 million or 4%. The increase was due mainly to higher personnel costs related to performance and share-based compensation, inflationary adjustments and annual increases, higher technology-related costs and advertising and business development costs to support business growth, as well as higher professional fees. Business and capital taxes and the unfavourable impact of foreign currency translation also contributed to the increase. These were partly offset by lower communications expenses and the benefit from prior productivity initiatives.

The Bank's total technology costs, consisting of Technology expenses (refer Table T17), as well as certain costs included within salaries, professional fees, and depreciation and amortization, were approximately $4.8 billion, an increase of 7% compared to 2023 and represented 14% of revenues, in line with the prior year. New investments in 2024 reflect the Bank's medium-term commitment to modernize at scale by accelerating cloud migration, data and analytics capabilities, and end-to-end digitization, as well as continued investment in core foundational enterprise security and architecture.

The productivity ratio was 58.5% compared to 59.4%. On an adjusted basis, the productivity ratio was 56.1% compared to 57.3%. Operating leverage was positive 1.5%. On an adjusted basis, operating leverage was positive 2.3%.

Provision for Income Taxes

The effective tax rate was 20.5% compared to 23.0% in 2023 due primarily to the Canada Recovery Dividend in the prior year, partly offset by lower tax-exempt income and higher non-deductible expenses. The lower tax-exempt income reflects the impact of the denial of the dividend received deduction measure enacted during the year as part of Federal Budget Implementation Act Bill C-59. In line with the provisions of this measure, effective January 1, 2024, the Bank no longer claims the dividend received deduction on Canadian shares that are mark-to-market property.

On an adjusted basis, the effective rate was 20.1% compared to 17.8% due primarily to lower tax-exempt income, partly offset by higher income in lower tax jurisdictions.

Fourth Quarter Review

T18 Fourth quarter financial results

($ millions)	For the three months ended October 31 2024(1)	July 31 2024(1)	October 31 2023(1)
Reported Results			
Net interest income	**$ 4,923**	$ 4,862	$ 4,666
Non-interest income	**3,603**	3,502	3,606
Total revenue	**8,526**	8,364	8,272
Provision for credit losses	**1,030**	1,052	1,256
Non-interest expenses	**5,296**	4,949	5,527
Income tax expense	**511**	451	135
Net income	**$ 1,689**	$ 1,912	$ 1,354
Net income attributable to non-controlling interests in subsidiaries (NCI)	**47**	36	31
Net income attributable to equity holders of the Bank	**$ 1,642**	$ 1,876	$ 1,323
Preferred shareholders and other equity instrument holders	**121**	120	109
Common shareholders	**1,521**	1,756	1,214
Adjustments(2)			
Adjusting items impacting non-interest income and total revenue (Pre-tax)			
Divestitures and wind-down of operations	**$ –**	$ 143	$ (367)
Adjusting items impacting non-interest expenses (Pre-tax)			
Divestitures and wind-down of operations	**–**	(7)	–
Impairment of non-financial assets	**440**	–	346
Restructuring charge and severance provisions	**53**	–	354
Legal provision	**–**	176	–
Amortization of acquisition-related intangible assets	**19**	17	19
Consolidation of real estate and contract termination costs	**–**	–	87
Total non-interest expense adjusting items (Pre-tax)	**512**	186	806
Total impact of adjusting items on net income before taxes	**512**	329	439
Impact of adjusting items on income tax expense			
Divestitures and wind-down of operations	**–**	(46)	48
Impairment of non-financial assets	**(61)**	–	(73)
Restructuring charge and severance provisions	**(15)**	–	(96)
Amortization of acquisition-related intangible assets	**(6)**	(4)	(5)
Consolidation of real estate and contract termination costs	**–**	–	(24)
Total impact of adjusting items on income tax expense	**(82)**	(50)	(150)
Total impact of adjusting items on net income	**430**	279	289
Impact of adjusting items on NCI	**–**	(2)	(3)
Total impact of adjusting items on net income attributable to equity holders and common shareholders	**$ 430**	$ 277	$ 286
Adjusted Results			
Adjusted net interest income	**$ 4,923**	$ 4,862	$ 4,666
Adjusted non-interest income	**3,603**	3,645	3,239
Adjusted total revenue	**8,526**	8,507	7,905
Adjusted provision for credit losses	**1,030**	1,052	1,256
Adjusted non-interest expenses	**4,784**	4,763	4,721
Adjusted income tax expense	**593**	501	285
Adjusted net income	**$ 2,119**	$ 2,191	$ 1,643
Adjusted net income attributable to non-controlling interests in subsidiaries (NCI)	**47**	38	34
Adjusted net income attributable to equity holders of the Bank	**$ 2,072**	$ 2,153	$ 1,609
Preferred shareholders and other equity instrument holders	**121**	120	109
Common shareholders	**1,951**	2,033	1,500

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) Refer to Non-GAAP Measures starting on page 20.

Net income

Q4 2024 vs Q4 2023

Net income was $1,689 million compared to $1,354 million, an increase of 25%. The increase was driven mainly by higher net interest income and lower provision for credit losses and non-interest expenses, partly offset by higher provision for income taxes. Adjusted net income was $2,119 million compared to $1,643 million, an increase of 29%, due mainly to higher revenues and lower provision for credit losses, partly offset by higher provision for income taxes.

Q4 2024 vs Q3 2024

Net income was $1,689 million compared to $1,912 million, a decrease of 12%. The decrease was due mainly to higher non-interest expenses and provision for income taxes, partly offset by higher revenues. Adjusted net income was $2,119 million compared to $2,191 million, a decrease of 3%, due mainly to higher provision for income taxes.

Total revenue

Q4 2024 vs Q4 2023

Revenues were $8,526 million compared to $8,272 million, an increase of 3%. Adjusted revenues were $8,526 million compared to $7,905 million, an increase of 8%.

Net interest income was $4,923 million, an increase of $257 million or 6%, due primarily to loan growth inclusive of the BA conversion. This was partly offset by the negative impact of foreign currency translation. The net interest margin was 2.15%, in line with the prior year.

Non-interest income was $3,603 million, a decrease of $3 million. Adjusted non-interest income was $3,603 million, an increase of $364 million or 11%. The increase was due mainly to higher trading revenues, wealth management revenues, other fees and commissions, and insurance revenue, partly offset by lower bankers' acceptance fees related to the BA conversion, as well as the negative impact of foreign currency translation.

Q4 2024 vs Q3 2024

Revenues were $8,526 million compared to $8,364 million, an increase of 2%. Adjusted revenues were $8,526 million compared to $8,507 million.

Net interest income increased $61 million or 1%, due mainly to loan growth inclusive of the impact of BA conversion, partly offset by the negative impact of foreign currency translation. The net interest margin increased one basis point driven mainly by a higher contribution from asset/liability management activities related to lower funding costs and lower losses from hedges, partly offset by lower margins in Canadian Banking, and lower levels of higher yielding loans in International Banking.

Non-interest income increased $101 million or 3%. Adjusted non-interest income declined $42 million or 1%. The decrease was due mainly to lower bankers' acceptance fees related to the BA conversion, lower underwriting and advisory fees, and the negative impact of foreign currency translation, partly offset by higher other fees and commissions, higher trading revenues, and higher wealth management revenues.

Provision for credit losses

Q4 2024 vs Q4 2023

The provision for credit losses was $1,030 million, compared to $1,256 million, a decrease of $226 million. The provision for credit losses ratio decreased 11 basis points to 54 basis points.

The provision for credit losses on performing loans was a net reversal of $13 million, compared to a provision taken of $454 million. The provision reversal this period was driven by retail credit migration to impaired, mainly in Mexico and Peru, as well as the impact of interest rate cuts, mainly on the mortgage and auto loan portfolios in Canada, and the improved macroeconomic outlook. This was partly offset by credit migration in the commercial and corporate portfolios and retail unsecured lines. The higher provision last year was driven primarily by the unfavourable macroeconomic outlook and uncertainty, resulting in migration in retail and certain sectors in commercial and corporate portfolios.

The provision for credit losses on impaired loans was $1,043 million, compared to $802 million, an increase of $241 million or 30% due primarily to higher formations in Canadian Banking retail and commercial portfolios. There were also higher formations in International Banking retail portfolios, mostly in Mexico, Chile and Colombia. The provision for credit losses ratio on impaired loans was 55 basis points, an increase of 13 basis points.

Q4 2024 vs Q3 2024

The provision for credit losses decreased $22 million from $1,052 million, primarily in International Banking. The provision for credit losses ratio decreased one basis point to 54 basis points.

The provision for credit losses on performing loans was a net reversal of $13 million, compared to a provision taken of $82 million, a decrease of $95 million. The decrease was mostly in Canadian Banking reflecting the favorable impact of interest rate cuts and the improved macroeconomic outlook relating to the commercial portfolio. This was partly offset by credit migration in the commercial and corporate portfolios and retail unsecured lines.

The provision for credit losses on impaired loans was $1,043 million, compared to $970 million, an increase of $73 million or 8%, due primarily to higher formations in Canadian Banking retail and commercial portfolios. This was partly offset by lower retail provisions in International Banking, mainly in Colombia, Chile and Peru due to lower formations. The provision for credit losses ratio on impaired loans was 55 basis points, an increase of four basis points.

Non-interest expenses

Q4 2024 vs Q4 2023

Non-interest expenses were $5,296 million, a decrease of 4%. Adjusted non-interest expenses were $4,784 million, an increase of $63 million or 1%, driven by higher performance-based compensation, technology-related costs, personnel costs, advertising costs, and business and capital taxes. This was partly offset by the favourable impact of foreign currency translation, lower communications expenses and share-based compensation.

The productivity ratio was 62.1% compared to 66.8%. The adjusted productivity ratio was 56.1% compared to 59.7%.

Q4 2024 vs Q3 2024

Non-interest expenses increased by $347 million or 7%. Adjusted non-interest expenses increased marginally by $21 million. The increase was due to higher technology-related costs, performance-based compensation, advertising, and professional fees. Partly offsetting were lower other employee benefits and the favourable impact of foreign currency translation.

The productivity ratio was 62.1% compared to 59.2%. The adjusted productivity ratio was 56.1% compared to 56.0%.

Provision for income taxes

Q4 2024 vs Q4 2023

The effective tax rate was 23.2% compared to 9.1% due primarily to lower tax-exempt income, lower income in lower tax jurisdictions, and the benefit of divestitures in the prior year. The lower tax-exempt income reflects the impact of the denial of the dividend received deduction measure enacted during the year as part of Federal Budget Implementation Act Bill C-59. In line with the provisions of this measure, effective January 1, 2024, the Bank no longer claims the dividend received deduction on Canadian shares that are mark-to-market property. On an adjusted basis, the effective rate was 21.8% compared to 14.8% due primarily to lower tax-exempt income and lower income in lower tax jurisdictions.

Q4 2024 vs Q3 2024

The effective tax rate was 23.2% compared to 19.1% due primarily to the impairment charge on Bank of Xi'an Co. Ltd, lower income in lower tax jurisdictions and adjustments related to prior year taxes, partly offset by higher non-deductible expenses in the prior quarter. On an adjusted basis, the effective tax rate was 21.8% compared to 18.6% due primarily to lower income in lower tax jurisdictions and adjustments related to prior year taxes.

Trending Analysis

T19 Quarterly financial highlights

	For the three months ended							
($ millions)	**October 31 2024(1)**	July 31 2024(1)	April 30 2024(1)	January 31 2024(1)	October 31 2023(1)	July 31 2023(1)	April 30 2023(1)	January 31 2023(1)
Reported results								
Net interest income	**$ 4,923**	$ 4,862	$ 4,694	$ 4,773	$ 4,666	$ 4,573	$ 4,460	$ 4,563
Non-interest income	**3,603**	3,502	3,653	3,660	3,606	3,494	3,453	3,399
Total revenue	**$ 8,526**	$ 8,364	$ 8,347	$ 8,433	$ 8,272	$ 8,067	$ 7,913	$ 7,962
Provision for credit losses	**1,030**	1,052	1,007	962	1,256	819	709	638
Non-interest expenses	**5,296**	4,949	4,711	4,739	5,527	4,559	4,574	4,461
Income tax expense	**511**	451	537	533	135	497	484	1,105
Net income	**$ 1,689**	$ 1,912	$ 2,092	$ 2,199	$ 1,354	$ 2,192	$ 2,146	$ 1,758
Basic earnings per share ($)	**1.23**	1.43	1.59	1.70	1.01	1.72	1.69	1.36
Diluted earnings per share ($)	**1.22**	1.41	1.57	1.68	0.99	1.70	1.68	1.35
Net interest margin (%)(2)	**2.15**	2.14	2.17	2.19	2.15	2.10	2.12	2.11
Effective tax rate (%)(3)	**23.2**	19.1	20.4	19.5	9.1	18.5	18.4	38.6
Adjusted results(2)								
Adjusting items impacting non-interest income and total revenue (Pre-tax)								
Divestitures and wind-down of operations	**$ –**	$ 143	$ –	$ –	$ (367)	$ –	$ –	$ –
Adjusting items impacting non-interest expenses (Pre-tax)								
Divestitures and wind-down of operations	**–**	(7)	–	–	–	–	–	–
Impairment of non-financial assets	**440**	–	–	–	346	–	–	–
Restructuring charge and severance provisions	**53**	–	–	–	354	–	–	–
Legal provision	**–**	176	–	–	–	–	–	–
Amortization of acquisition-related intangible assets	**19**	17	18	18	19	20	21	21
Consolidation of real estate and contract termination costs	**–**	–	–	–	87	–	–	–
Total non-interest expenses adjustments (Pre-tax)	**512**	186	18	18	806	20	21	21
Total impact of adjusting items on net income before taxes	**512**	329	18	18	439	20	21	21
Impact of adjusting items on income tax expense:								
Canada recovery dividend	**–**	–	–	–	–	–	–	579
Impact of other adjusting items on income tax expense	**(82)**	(50)	(5)	(5)	(150)	(5)	(6)	(6)
Total impact of adjusting items on net income	**430**	279	13	13	289	15	15	594
Adjusted net income	**$ 2,119**	$ 2,191	$ 2,105	$ 2,212	$ 1,643	$ 2,207	$ 2,161	$ 2,352
Adjusted diluted earnings per share	**$ 1.57**	$ 1.63	$ 1.58	$ 1.69	$ 1.23	$ 1.72	$ 1.69	$ 1.84

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) Refer to Non-GAAP Measures starting on page 20.
(3) Refer to Glossary on page 132 for the description of the measure.

Earnings over the period were driven by higher net interest income and generally higher non-interest income, partly offset by higher provision for credit losses and increased term funding costs. Earnings for the current quarter were impacted by adjusting items.

Total revenue

Canadian Banking net interest income over the period has increased, driven by deposit growth and margin expansion. International Banking net interest income has trended upward driven by improvements in lending mix and rates, and the impact of lower funding costs. Global Wealth Management fee-based revenues increased during the period and are impacted by market conditions. Global Banking and Markets revenues are affected by market conditions that impact client activity in the capital markets and business banking businesses. Revenues in the Other segment were impacted by higher term funding costs and asset/liability management activities.

Provision for credit losses

Provision for credit losses have trended upward during the period driven by higher impaired loan provisions due mainly to higher formations and retail credit migration. There were also higher provisions due to the uncertainty around the impact of higher interest rates, retail portfolio growth and continued unfavorable macroeconomic outlook.

Non-interest expenses

Non-interest expenses for the period reflect the Bank's continued investment in personnel and technology to support strategy and business growth, as well as the impact of inflation. This was partly offset by expense management and efficiency initiatives. The impact of foreign currency translation also contributed to fluctuations over the period.

Provision for income taxes

The effective tax rate was 23.2% this quarter. The effective tax rate average was 20.8% over the period and was impacted by the recognition of the CRD in Q1 2023, increased statutory tax rates, divestitures, restructuring charge and net income earned in foreign jurisdictions, as well as the variability of tax-exempt dividend income and inflationary benefits.

BUSINESS LINE OVERVIEW

Business line results are presented on a taxable equivalent basis, adjusting for the following:

- The Bank analyzes revenue on a taxable equivalent basis (TEB) for business lines. This methodology grosses up tax-exempt income earned on certain securities reported in either net interest income or non-interest income to an equivalent before tax basis. A corresponding increase is made to the provision for income taxes; hence, there is no impact on net income. Management believes that this basis for measurement provides a uniform comparability of net interest income and non-interest income arising from both taxable and non-taxable sources and facilitates a consistent basis of measurement. While other banks also use TEB, their methodology may not be comparable to the Bank's methodology. A segment's revenue and provision for income taxes are grossed up by the taxable equivalent amount. The elimination of the TEB gross-up is recorded in the Other segment.
- For business line performance assessment and reporting, net income from associated corporations, which is an after-tax number, is adjusted to normalize for income taxes. The tax normalization adjustment grosses up the amount of net income from associated corporations and normalizes the effective tax rate in the business lines to better present the contribution of the associated corporations to the business line results.
- International Banking business segment results are analyzed on a constant dollar basis. Under constant dollar basis, prior period amounts are recalculated using current period average foreign currency rates thereby eliminating the impact of foreign currency translation. The Bank believes that reporting in constant dollar is useful for readers in assessing ongoing business performance.
- The Other segment includes Group Treasury, smaller operating segments and corporate items which are not allocated to a business line. Group Treasury is primarily responsible for Balance Sheet, Liquidity and Interest Rate Risk management, which includes the Bank's wholesale funding activities.

The TEB gross-up to net interest income, non-interest income, total revenue, and provision for income taxes is presented below. Effective January 1, 2024, in line with the provisions of Bill C-59, the Bank no longer claims the dividend received deduction on Canadian shares that are mark-to-market property, which resulted in a lower TEB gross-up:

T20 TEB Gross-up

($ millions)	2024	2023
Net interest income	**3**	36
Non-interest income	**52**	437
Total revenue and provision for taxes	**55**	473

Below are the results of the Bank's operating segments for 2024.

CANADIAN BANKING

Canadian Banking reported net income attributable to equity holders of $4,274 million, compared to $3,984 million. Adjusted net income to equity holders was $4,277 million, an increase of $290 million or 7%. The increase was due primarily to higher revenue driven by deposit growth and margin expansion, partly offset by higher non-interest expenses and provision for credit losses. Return on equity was 20.8% compared to 21.1% in the prior year.

INTERNATIONAL BANKING

Net income attributable to equity holders was $2,714 million, an increase of 11% from $2,449 million. Adjusted net income attributable to equity holders was $2,737 million, an increase of $258 million or 10%. The increase was driven by higher net interest income and non-interest income and the positive impact of foreign currency translation, partly offset by higher provision for credit losses, non-interest expenses and provision for income taxes. Return on equity was 14.2% compared to 12.9% in the prior year. Adjusted return on equity was 14.4% compared to 13.1% in the prior year.

GLOBAL WEALTH MANAGEMENT

Net income attributable to equity holders was $1,576 million, compared to $1,431 million in the prior year. Adjusted net income attributable to equity holders was $1,602 million, up $145 million or 10%. The increase was due primarily to higher mutual fund fees, brokerage revenues, and net interest income across the Canadian and International wealth businesses. This was partly offset by higher non-interest expenses due largely to volume-related expenses. Return on equity was 15.4% compared to 14.6% in the prior year. Adjusted return on equity was 15.7% compared to 14.9% in the prior year.

GLOBAL BANKING AND MARKETS

Global Banking and Markets reported net income attributable to equity holders of $1,688 million, a decrease of $80 million or 5%. This decline was due to higher non-interest expenses, lower net interest income, and lower non-interest income, partly offset by lower provision for credit losses, lower income tax expense and the positive impact of foreign currency translation. Return on equity was 11% compared to 12.2% in the prior year.

OTHER

The Other segment reported a net loss attributable to equity holders of $2,494 million compared to a net loss of $2,294 million in the prior year. Adjusted net income attributable to equity holders was a loss of $1,813 million compared to net loss of $1,443 million in the prior year. The higher loss of $370 million was due to lower revenues resulting primarily from increased funding costs and higher income taxes, partly offset by lower non-interest expenses.

KEY PERFORMANCE INDICATORS FOR ALL BUSINESS LINES

Management uses a number of key metrics to monitor business line performance:

- Net income
- Return on equity
- Productivity ratio
- Provision for credit losses ratio

T21 Financial performance – Reported

For the year ended October 31, 2024 ($ millions)	Canadian Banking(1)	International Banking(1)	Global Wealth Management	Global Banking and Markets	Other(2)	**Total (1)**
Net interest income(3)	**$ 10,842**	**$ 8,889**	**$ 936**	**$ 1,441**	**$ (2,856)**	**$ 19,252**
Non-interest income(3)	**2,848**	**3,100**	**4,826**	**3,972**	**(328)**	**14,418**
Total revenue(3)	**13,690**	**11,989**	**5,762**	**5,413**	**(3,184)**	**33,670**
Provision for credit losses	**1,691**	**2,285**	**27**	**47**	**1**	**4,051**
Non-interest expenses	**6,118**	**6,131**	**3,610**	**3,199**	**637**	**19,695**
Provision for income taxes (3)	**1,607**	**734**	**539**	**479**	**(1,327)**	**2,032**
Net income	**$ 4,274**	**$ 2,839**	**$ 1,586**	**$ 1,688**	**$ (2,495)**	**$ 7,892**
Net income attributable to non-controlling interests in subsidiaries	**–**	**125**	**10**	**–**	**(1)**	**134**
Net income attributable to equity holders of the Bank	**$ 4,274**	**$ 2,714**	**$ 1,576**	**$ 1,688**	**$ (2,494)**	**$ 7,758**
Return on equity(%) (4)	**20.8%**	**14.2%**	**15.4%**	**11.0%**	**nm**	**10.2%**
Total average assets ($ billions)	**$ 449**	**$ 232**	**$ 35**	**$ 495**	**$ 208**	**$ 1,419**
Total average liabilities ($ billions)	**$ 389**	**$ 180**	**$ 40**	**$ 475**	**$ 254**	**$ 1,338**

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) The Other category represents smaller operating segments, including Group Treasury, and other corporate adjustments that are not allocated to an operating segment. Corporate adjustments include the net residual in matched maturity transfer pricing, the elimination of the tax-exempt income gross-up reported in net interest income, non-interest income and provision for income taxes, and differences in the actual amount of costs incurred and charged to the operating segments.
(3) Taxable equivalent basis. Refer to Glossary on page 132.
(4) Refer to Non-GAAP Measures on page 20 for the description of the measure.

For the year ended October 31, 2023 ($ millions)	Canadian Banking(1)	International Banking(1)	Global Wealth Management	Global Banking and Markets	Other(2)	Total(1)
Net interest income(3)	$ 9,761	$ 8,131	$ 842	$ 1,572	$ (2,044)	$ 18,262
Non-interest income(3)	3,046	2,910	4,449	3,980	(433)	13,952
Total revenue(3)	12,807	11,041	5,291	5,552	(2,477)	32,214
Provision for credit losses	1,443	1,868	10	101	–	3,422
Non-interest expenses	5,866	5,919	3,350	3,062	924	19,121
Provision for income taxes (3)	1,514	699	491	621	(1,104)	2,221
Net income	$ 3,984	$ 2,555	$ 1,440	$ 1,768	$ (2,297)	$ 7,450
Net income attributable to non-controlling interests in subsidiaries	–	106	9	–	(3)	112
Net income attributable to equity holders of the Bank	$ 3,984	$ 2,449	$ 1,431	$ 1,768	$ (2,294)	$ 7,338
Return on equity(%) (4)	21.1%	12.9%	14.6%	12.2%	nm	10.3%
Total average assets ($ billions)	$ 450	$ 237	$ 34	$ 490	$ 185	$ 1,396
Total average liabilities ($ billions)	$ 372	$ 179	$ 40	$ 455	$ 273	$ 1,319

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) The Other category represents smaller operating segments, including Group Treasury, and other corporate adjustments that are not allocated to an operating segment. Corporate adjustments include the net residual in matched maturity transfer pricing, the elimination of the tax-exempt income gross-up reported in net interest income, non-interest income and provision for income taxes, and differences in the actual amount of costs incurred and charged to the operating segments.
(3) Taxable equivalent basis. Refer to Glossary on page 132.
(4) Refer to Non-GAAP Measures on page 20 for the description of the measure.

T21A Financial performance – Adjusted

For the year ended October 31, 2024 ($ millions) (1)	Canadian Banking(2)	International Banking(2)	Global Wealth Management	Global Banking and Markets	Other(3)	**Total(2)**
Net interest income(4)	**$ 10,842**	**$ 8,889**	**$ 936**	**$ 1,441**	**$ (2,856)**	**$ 19,252**
Non-interest income(4)	**2,848**	**3,100**	**4,826**	**3,972**	**(185)**	**14,561**
Total revenue(4)	**13,690**	**11,989**	**5,762**	**5,413**	**(3,041)**	**33,813**
Provision for credit losses	**1,691**	**2,285**	**27**	**47**	**1**	**4,051**
Non-interest expenses	**6,114**	**6,099**	**3,574**	**3,199**	**(25)**	**18,961**
Provision for income taxes (4)	**1,608**	**743**	**549**	**479**	**(1,205)**	**2,174**
Net income	**$ 4,277**	**$ 2,862**	**$ 1,612**	**$ 1,688**	**$ (1,812)**	**$ 8,627**
Net income attributable to non-controlling interests in subsidiaries	**–**	**125**	**10**	**–**	**1**	**136**
Net income attributable to equity holders of the Bank	**$ 4,277**	**$ 2,737**	**$ 1,602**	**$ 1,688**	**$ (1,813)**	**$ 8,491**

(1) Refer to Non-GAAP Measures on page 20 for the description of the adjustments.
(2) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(3) The Other category represents smaller operating segments, including Group Treasury, and other corporate adjustments that are not allocated to an operating segment. Corporate adjustments include the net residual in matched maturity transfer pricing, the elimination of the tax-exempt income gross-up reported in net interest income, non-interest income and provision for income taxes, and differences in the actual amount of costs incurred and charged to the operating segments.
(4) Taxable equivalent basis. Refer to Glossary on page 132.

For the year ended October 31, 2023 ($ millions) (1)	Canadian Banking(2)	International Banking(2)	Global Wealth Management	Global Banking and Markets	Other(3)	Total(2)
Net interest income(4)	$ 9,761	$ 8,131	$ 842	$ 1,572	$ (2,044)	$ 18,262
Non-interest income(4)	3,046	2,910	4,449	3,980	(800)	13,585
Total revenue(4)	12,807	11,041	5,291	5,552	(2,844)	31,847
Provision for credit losses	1,443	1,868	10	101	–	3,422
Non-interest expenses	5,862	5,878	3,314	3,062	137	18,253
Provision for income taxes (4)	1,515	710	501	621	(1,538)	1,809
Net income	$ 3,987	$ 2,585	$ 1,466	$ 1,768	$ (1,443)	$ 8,363
Net income attributable to non-controlling interests in subsidiaries	–	106	9	–	–	115
Net income attributable to equity holders of the Bank	$ 3,987	$ 2,479	$ 1,457	$ 1,768	$ (1,443)	$ 8,248

(1) Refer to Non-GAAP Measures on page 20 for the description of the adjustments.
(2) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(3) The Other category represents smaller operating segments, including Group Treasury, and other corporate adjustments that are not allocated to an operating segment. Corporate adjustments include the net residual in matched maturity transfer pricing, the elimination of the tax-exempt income gross-up reported in net interest income, non-interest income and provision for income taxes, and differences in the actual amount of costs incurred and charged to the operating segments.
(4) Taxable equivalent basis. Refer to Glossary on page 132.

Canadian Banking

2024 Achievements

Earn primary client relationships

- Demonstrated solid momentum, as multiple initiatives to deepen client relationships increased client primacy penetration in Retail Banking, Small Business, and Tangerine.
- Grew Scene+ membership to over 15 million members; point issuance reached a record high, and 38% of the Bank's clients with Scene+ have 3+ Scotia products.
- Increased Mortgage+ program – a customizable bundle with a preferred mortgage rate, everyday banking account and other retail products – penetration to 83% of mortgage originations in Q4 and 77% of mortgage originations in the year.
- Launched Money Style by Advice+ to better understand customers' financial sentiments, improve their experience with advisors and enhance our value proposition.

Grow and scale in priority businesses

- Launch of the PRO Visa Business Card for Small Business clients, powered by Scene+, to earn and redeem more points on everyday business purchases made at Home Hardware.
- Launched the Scotiabank Lawyer Banking Program, an innovative team-based offering that streamlines financial management for lawyers, giving them access to a wide range of services through a dedicated team of advisors.

Make it easy to do business with us

- Increased the number of virtual advisors across our network, making it easier for Retail and Small Business clients to partner with the Bank, regardless of location.
- Tangerine continued to lead the industry in competitive net promoter score, reaching a new three-year high and surpassed one million active mobile clients, with half of their sales coming from the mobile channel.
- Expanded partnership with Nova Credit to enhance access to digital credit, by allowing newcomers from select countries to use their credit history from their original home country when applying online for increased credit limit.
- Partnered with Willful, one of Canada's leading online estate planning services, which marks another important step in providing clients advice and digital solutions to help them manage their future.

Win as one team

- Exceeded internal referral target between Retail, Wealth, Small Business, and Commercial Banking, referring more than $13 billion in wealth advisory, lending, and deposit balances.
- Named one of Canada's Top Employers for Young People 2024 by Mediacorp Canada for the 4th consecutive year.
- Tangerine Bank was recognized on the Best Workplaces™ in Financial Services & Insurance in Canada list by Great Place to Work®.

Select awards

- Awarded Canada's Best Bank by *Global Finance,* which recognizes financial institutions that offer the broadest range of services, long-term reliability, and technological innovation.
- Awarded Canada's Best Bank in 2024 by Euromoney.
- Tangerine Bank received the highest client satisfaction score from J.D. Power among mid-size banks for a 13th consecutive year and the highest client satisfaction score among credit card issuers in the J.D. Power 2024 Canada Credit Card Satisfaction Study.
- Moved up to 2nd (from 4th) in J.D. Power 2024 Canada Retail Banking Advice Satisfaction Survey, delivering strong performance across all 5 index factors.

Business Profile

Canadian Banking provides a full suite of financial advice and banking solutions, supported by an excellent customer experience, to over 11 million customers. Retail, Small Business and Commercial Banking customers receive service through its network of 898 branches and 3,578 automated banking machines (ABMs), as well as online, mobile and telephone banking, and specialized sales teams. Canadian Banking also provides an alternative self-directed banking solution to Tangerine customers. Canadian Banking comprises the following areas:

- Retail Banking provides financial advice and solutions along with day-to-day banking products, including debit cards, chequing accounts, credit cards, investments, mortgages, personal loans, and related creditor insurance products to retail customers, including automotive dealers and their customers, providing retail automotive financing solutions. Tangerine Bank provides day-to-day banking products, including chequing and saving accounts, credit cards, mortgages, loans, and investments to self-directed customers.
- Business Banking delivers advice and a full suite of lending, deposit, cash management and trade finance solutions to small, medium, and large businesses, including the Roynat franchise, which provides clients with innovative financing alternatives through both public and private markets.

Strategy

We aim to be Canada's most trusted and data-driven bank with market-leading client advice, and sustainable growth in earnings and return on equity. Canadian Banking will continue to execute its long-term strategy to deliver stable and consistent earnings, including businesses and products that deliver higher returns on equity and lower risk-weighted assets. Ongoing efforts focus on deepening relationships with clients to increase engagement, loyalty and primacy, investing in digital and analytical capabilities to understand and anticipate customer needs, and developing a high-quality and diverse team of Scotiabank employees.

2025 Priorities

- **Client primacy:** Increase client primacy across Retail, Tangerine, Small Business and Commercial Banking, by deepening relationships through personalized value propositions and harnessing the full potential of Scene+ to capture share of wallet.
- **Sales and channel effectiveness:** Improve overall sales infrastructure in Retail, Small Business and Commercial Banking to drive consistency, enhance advisor effectiveness, and ramp up utilization of our digital channel.
- **Accelerate data deployment and analytics:** Strengthen capabilities across data, technology and analytics to support salesforce effectiveness, client servicing, insight-driven decision-making, and pricing optimization.
- **Execute at scale:** Deliver productivity-enabled investments, including end-to-end automation and digitization, to unlock savings to fund future growth.
- **Improve execution:** Accelerate agile delivery with cross-functional teams and horizontal end-to-end single point accountability.
- **Realize Tangerine's full potential as a digital challenger:** Accelerate growth and further embedding our brand and value proposition to digitally-savvy Canadians.

T22 Canadian Banking financial performance

Taxable equivalent basis ($ millions)	2024(1)	2023(1)
Reported results		
Net interest income	$ 10,842	$ 9,761
Non-interest income(2)	2,848	3,046
Total revenue	13,690	12,807
Provision for credit losses	1,691	1,443
Non-interest expenses	6,118	5,866
Income tax expense	1,607	1,514
Net income	$ 4,274	$ 3,984
Net income attributable to non-controlling interests in subsidiaries	–	–
Net income attributable to equity holders of the Bank	$ 4,274	$ 3,984
Key ratios and other financial data		
Return on equity(3)	20.8%	21.1%
Productivity(4)	44.7%	45.8%
Net interest margin(3)	2.53%	2.34%
Provision for credit losses – performing (Stages 1 and 2)	$ 127	$ 489
Provision for credit losses – impaired (Stage 3)	$ 1,564	$ 954
Provision for credit losses as a percentage of average net loans and acceptances (4)	0.38%	0.32%
Provision for credit losses on impaired loans as a percentage of average net loans and acceptances (4)	0.35%	0.21%
Net write-offs as a percentage of average net loans and acceptances (4)	0.32%	0.19%
Selected Consolidated Statement of Financial Position data (average balances)		
Earning assets(3)	$ 445,076	$ 445,520
Total assets	449,469	449,555
Deposits	367,441	340,345
Total liabilities	388,957	371,587

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) Includes net (loss) income from investments in associated corporations of $(9) (2023 – $72).
(3) Refer to Non-GAAP Measures on page 20 for the description of the measure.
(4) Refer to Glossary on page 132 for the description of the measure.

T22A Adjusted Canadian Banking financial performance(1)

($ millions)	2024(2)	2023(2)
Adjusted results		
Net interest income	$ 10,842	$ 9,761
Non-interest income	2,848	3,046
Total revenue	13,690	12,807
Provision for credit losses	1,691	1,443
Non-interest expenses(3)	6,114	5,862
Income before taxes	5,885	5,502
Income tax expense	1,608	1,515
Net income	$ 4,277	$ 3,987
Net income attributable to non-controlling interests in subsidiaries (NCI)	–	–
Net income attributable to equity holders	$ 4,277	$ 3,987

(1) Refer to Non-GAAP Measures on page 20 for the description of the adjustments.
(2) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(3) Includes adjustment for amortization of acquisition-related intangible assets of $4 (2023 – $4).

Financial Performance

Net income

Canadian Banking reported net income attributable to equity holders of $4,274 million, compared to $3,984 million. Adjusted net income to equity holders was $4,277 million, an increase of $290 million or 7%. The increase was due primarily to higher revenue driven by deposit growth and margin expansion, partly offset by higher non-interest expenses and provision for credit losses.

Average assets and liabilities

Average assets were in line with prior year. The increase of $6 billion or 7% in business loans and acceptances, $1 billion or 16% in credit cards, and $1 billion or 1% in personal loans, was offset by a decline of $8 billion or 3% in residential mortgages.

Average liabilities increased $17 billion or 5% to $389 billion. The growth included $14 billion or 12% in non-personal deposits, primarily in demand products, and $13 billion or 6% in personal deposits, primarily in term products, partly offset by a reduction of $12 billion in bankers' acceptances liabilities.

Revenues

Revenues of $13,690 million increased $883 million or 7%, due to higher net interest income, partly offset by lower non-interest income.

Net interest income of $10,842 million increased $1,081 million or 11%, due primarily to deposit growth, margin expansion, and the benefit from the BA conversion. The net interest margin increased 19 basis points to 2.53%, driven by higher loan margins and favourable changes in business mix.

Non-interest income of $2,848 million declined $198 million or 7%, due primarily to lower banking fees, including the impact of the BA conversion, lower income from associated corporations driven primarily by the sale of the Bank's equity interest in Canadian Tire Financial Services last year, and elevated private equity gains in the prior year. This was partly offset by higher insurance revenue and mutual fund distribution fees.

Retail Banking

Total Retail Banking revenues were $10,370 million, an increase of $912 million or 10%. Net interest income increased $863 million or 12%, due primarily to deposit growth and margin expansion. Non-interest income increased $49 million or 2% due primarily to higher banking and insurance revenue, and increased mutual fund distribution fees, partly offset by lower income from associated corporations driven primarily by the sale of the Bank's equity interest in Canadian Tire Financial Services last year.

Business Banking

Total Business Banking revenues were $3,320 million, a decrease of $29 million or 1%. Net interest income increased $218 million or 9% due primarily to strong loan and deposit growth, and the benefit from the BA conversion, partly offset by margin compression. Non-interest income decreased $247 million or 24% due primarily to lower banking fees, including the impact of the BA conversion, and elevated private equity gains in the prior year.

Provision for credit losses

The provision for credit losses was $1,691 million, an increase of $248 million. The provision for credit losses ratio was 38 basis points, an increase of 6 basis points.

Provision for credit losses on performing loans was $127 million, compared to $489 million. The provision this year was driven by the impact of higher interest rates, including credit migration in the retail portfolio, as well as portfolio growth in retail and commercial. The provision was also impacted by the macroeconomic outlook that continues to be unfavourable, yet improved from the prior year. Higher provisions last year related to the retail and commercial portfolios, and were due primarily to the unfavourable macroeconomic outlook and uncertainty resulting in migration on retail and certain sectors in the commercial portfolios.

Provision for credit losses on impaired loans was $1,564 million compared to $954 million, due primarily to higher retail and commercial formations. The provision for credit losses ratio on impaired loans was 35 basis points, an increase of 14 basis points.

Non-interest expenses

Non-interest expenses were $6,118 million, an increase of $252 million or 4%, due primarily to higher technology, personnel, professional, advertising, and business development costs to support the Bank's strategy and drive business growth. This was partly offset by benefits from prudent expense management and productivity initiatives.

Provision for income taxes

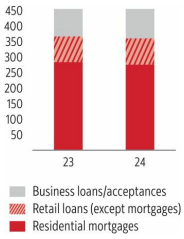
The effective tax rate was 27.3% compared to 27.5% in the prior year.

Outlook

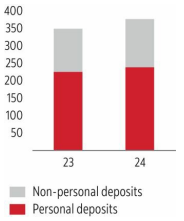
Revenue in Canadian Banking is expected to be driven by further growth in deposits and loans across Retail and Business Banking, while margins will be negatively impacted as interest rates decline. Maintaining strong expense discipline while balancing investments in strategic growth initiatives to drive future growth will be a primary objective. Provision for credit losses is expected to remain stable. Earnings growth will be supported by the continued focus on client primacy across Retail, Tangerine, and Business Banking, and client acquisition through our Scene+ loyalty program.

C5 **Total revenue by sub-segment** $ millions

C6 **Average loans and acceptances** $ billions



C7 **Average deposits** $ billions



International Banking

2024 Achievements

Earn primary client relationships

- Implemented retail client segmentation and redefined value proposition, making progress in client primacy with a focus on growth in priority segments.
- Significant progress in strengthening client relationships in the corporate business, with primary clients up 15% and cash management clients up 12% from the prior year.
- Outperformed industry benchmarks in Mexico for productivity improvement and deposit growth, while deepening client relationships.

Grow and scale in priority markets

- Solid earnings growth with increased capital allocated to priority businesses (Mexico and Caribbean region) and optimized capital in other businesses.
- Capital markets business significantly improved profitability by delivering earnings growth while optimizing Risk Weighted Assets.
- Announced the sale of CrediScotia in Peru, a key milestone in focusing on our core businesses.

Make it easy to do business with us

- Completed roll-out of proprietary digital credit tool for commercial and corporate clients globally.
- Increased number of clients served through virtual and digital channels, strengthening client experience and efficiency.
- Continuous progress in digital experience and product suite. Select highlights include:
  - Enhanced our digital payments capabilities in mobile wallets in Caribbean, Chile, Peru and Colombia.
  - Consolidated multiple digital applications into a single digital experience in Mexico and Chile.
  - Launched digital customer and deposit onboarding platforms at-scale across 7 Caribbean countries.

Win as one team

- Established segment-driven organizational structure to ensure successful execution of our strategy.
- Fostered development and retention of high performing talent.
- Recognized as a Great Place to Work® in Peru.
- Ranked as a Top Employer in Chile with Certified Excellence in Employee Conditions by Top Employer.

Select awards

- Ranked #1 in the 'World's Safest Banks' ranking by Global Finance in Chile and ranked Top 10 in Peru.
- Named 'Best Bank' in The Bahamas, Barbados, Jamaica, Trinidad and Tobago and the Turks and Caicos Islands by Global Finance in 2024.
- Recognized as Best Bank for Corporates (Chile and Trinidad & Tobago) by Euromoney.
- Recognized as Investment Bank of the Year & Sovereign Bond of the Year in Chile by Latin Finance.
- Recognized as World's Best Trade Finance Providers 2024 (Chile | Country-Territory winner) by Euromoney.
- Won the award for Best Private Bank for Digital Solutions (Chile, Mexico) by Euromoney Private Banking Award.
- Recognized as Best International Private Bank (Bahamas, Jamaica, Cayman Islands) by Euromoney in 2024.
- Recognized as Best Private Bank for Digital Solutions (Chile, Mexico) by Euromoney in 2024.
- Won the Infrastructure Financing of the Year award in Mexico: Mayakan pipeline expansion by Latin Finance in 2024.
- Recognized by Global Finance as Best Bank for Transition/Sustainability-Linked Loans and Best Bank for ESG-Related Loans in Latin America, and Best Bank for Sustainable Finance in Chile for 2024.

Business Profile

International Banking is a strong and diverse franchise that provides financial advice and solutions to over 12 million retail, corporate, and commercial clients. Its geographic presence spans more than 15 countries, including Mexico, Chile, Peru, Colombia, Brazil, Uruguay, and various markets in Central America and the Caribbean. The Bank's unique geographical footprint ensures robust connectivity within the North American corridor. Many countries within the International Banking network boast of favorable demographics and present significant opportunities for increasing banking penetration.

Strategy

International Banking aims to achieve sustainable earnings growth by strategically targeting priority segments and geographies. The focus is on deepening client relationships to enhance engagement and primacy, managing credit risk prudently, accelerating deposit growth, and prioritizing expansion in markets with scale opportunities. International Banking will continue to maintain a strong emphasis on expense management while executing our long-term vision of building a robust client franchise across priority segments and geographies, supported by a diverse and talented team. Our International Banking business is undergoing a transformational change, focusing on strategic client deselection and reorganization for scale and efficiency. This will serve as a key enabler towards the successful execution of our strategy and commitments.

2025 Priorities

- **Deepen client relationships**: Deploy regional and segment driven value propositions with optimized service model.
- **Grow and scale in priority markets**: Enhance acquisition funnel by prioritizing on-strategy segments and geographies, strengthen Commercial business and grow Global Transactional Banking presence while bolstering cross-border value proposition to foster connectivity across our footprint.
- **Make it easy to do business with us**: Continue the business-led transformation, followed closely by the transformation of corporate functions, digitize and streamline key client journeys in Retail and Commercial, and strengthen operational resiliency.
- **Win as one team**: Attract, develop, and promote high-caliber talent, continue to foster enterprise mindset with execution and accountability culture, and deliver on sustainability commitments.

T23 International Banking financial performance – Reported

Taxable equivalent basis ($ millions)	2024(1)	2023(1)
Reported results		
Net interest income	$ 8,889	$ 8,131
Non-interest income(2)	3,100	2,910
Total revenue	11,989	11,041
Provision for credit losses	2,285	1,868
Non-interest expenses	6,131	5,919
Income tax expense	734	699
Net income	$ 2,839	$ 2,555
Net income attributable to non-controlling interests in subsidiaries	125	106
Net income attributable to equity holders of the Bank	$ 2,714	$ 2,449
Key ratios and other financial data		
Return on equity(3)	14.2%	12.9%
Productivity(4)	51.1%	53.6%
Net interest margin(3)	4.42%	4.09%
Provision for credit losses – performing (Stages 1 and 2)	$ (52)	$ 103
Provision for credit losses – impaired (Stage 3)	$ 2,337	$ 1,765
Provision for credit losses as a percentage of average net loans and acceptances (4)	1.37%	1.09%
Provision for credit losses on impaired loans as a percentage of average net loans and acceptances (4)	1.40%	1.03%
Net write-offs as a percentage of average net loans and acceptances (4)	1.25%	0.93%
Selected Consolidated Statement of Financial Position data (average balances)		
Earning assets(3)	$ 216,514	$ 217,274
Total assets	232,463	236,688
Deposits	131,274	126,422
Total liabilities	179,626	179,316

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) Includes net income from investments in associated corporations of $248 (2023 – $250).
(3) Refer to Non-GAAP Measures on page 20 for the description of the measure.
(4) Refer to Glossary on page 132 for the description of the measure.

T23A Adjusted International Banking financial performance(1)

($ millions)	2024(2)	2023(2)
Adjusted results		
Net interest income	$ 8,889	$ 8,131
Non-interest income	3,100	2,910
Total revenue	11,989	11,041
Provision for credit losses	2,285	1,868
Non-interest expenses(3)	6,099	5,878
Income before taxes	3,605	3,295
Income tax expense	743	710
Net income	$ 2,862	$ 2,585
Net income attributable to non-controlling interests (NCI)	125	106
Net income attributable to equity holders	$ 2,737	$ 2,479

(1) Refer to Non-GAAP Measures on page 20 for the description of the adjustments.
(2) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(3) Includes adjustment for amortization of acquisition-related intangible assets of $32 (2023 – $41).

Financial Performance

Net income

Net income attributable to equity holders was $2,714 million, an increase of 11% from $2,449 million. Adjusted net income attributable to equity holders was $2,737 million, an increase of $258 million or 10% from $2,479 million. The increase was driven by higher net interest income and non-interest income and the positive impact of foreign currency translation. This was partly offset by higher provision for credit losses, non-interest expenses and provision for income taxes.

Financial Performance on an Adjusted and Constant Dollar Basis

The discussion below on the results of operations is on an adjusted and constant dollar basis. Under the constant dollar basis, prior period amounts are recalculated using current period average foreign currency rates, which is a non-GAAP financial measure (refer to Non-GAAP Measures on page 20). The Bank believes that constant dollar is useful for readers in assessing ongoing business performance without the impact of foreign currency translation and is used by management to assess the performance of the business segment. Ratios are on a reported basis.

T24 International Banking financial performance on reported and constant dollar basis

Taxable equivalent basis ($ millions)	2024(1)	2023(1)
Net interest income	$ 8,889	$ 8,103
Non-interest income(2)	3,100	3,074
Total revenue	11,989	11,177
Provision for credit losses	2,285	1,872
Non-interest expenses	6,131	5,957
Income tax expense	734	716
Net income on constant dollar basis	$ 2,839	$ 2,632
Net income attributable to non-controlling interests in subsidiaries on a constant dollar basis	125	101
Net income attributable to equity holders of the Bank on a constant dollar basis	$ 2,714	$ 2,531
Selected Consolidated Statement of Financial Position data (average balances)		
Total assets	$ 232,463	$ 234,438
Total liabilities	179,626	177,549

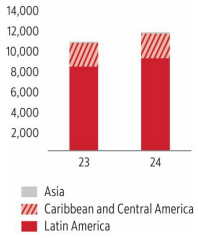
(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) Includes net income from investments in associated corporations of $248 (2023 – $249).

T24A International Banking financial performance on adjusted and constant dollar basis

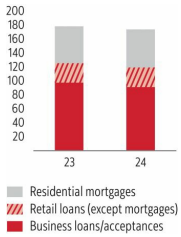
Taxable equivalent basis ($ millions)	2024(1)	2023(1)
Net interest income	$ 8,889	$ 8,103
Non-interest income	3,100	3,074
Total revenue	11,989	11,177
Provision for credit losses	2,285	1,872
Non-interest expenses(2)	6,099	5,918
Income tax expense	743	727
Net income on constant dollar basis	$ 2,862	$ 2,660
Net income attributable to non-controlling interests in subsidiaries on a constant dollar basis	125	101
Net income attributable to equity holders of the Bank on a constant dollar basis	$ 2,737	$ 2,559

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) Includes adjustment for amortization of acquisition-related intangible assets of $32 (2023 – $39).

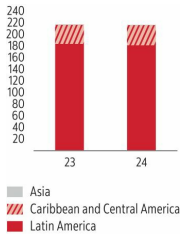
C8 Total revenue by region $ millions



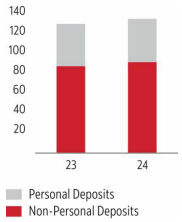
C9 Average loans and acceptances $ billions



C10 Average earning assets by region $ billions



C11 Average deposits $ billions



Net income

Net income attributable to equity holders was $2,714 million, an increase of $183 million or 7% from $2,531 million. Adjusted net income attributable to equity holders was $2,737 million, an increase of $178 million or 7% from $2,559 million. The increase was driven by higher net interest income and non-interest income, partly offset by higher provision for credit losses, non-interest expenses and provision for income taxes.

Assets and liabilities

Average assets were $232 billion, down $2 billion or 1%. Loans decreased 2%, primarily in Brazil, Chile, and Peru. The decrease included a 7% reduction in business loans, in line with the Bank's portfolio optimization strategy, partly offset by an increase of 6% in residential mortgages.

Average liabilities were $180 billion, an increase of $2 billion or 1%. Total deposits increased by 3%, mainly in Mexico. Non-personal deposits increased by 4% and personal deposits increased by 2%.

Revenues

Revenues were $11,989 million, an increase of $812 million or 7%.

Net interest income was $8,889 million, an increase of $786 million or 10%, driven by strong margin expansion. Net interest margin increased by 33 basis points to 4.42%, driven by higher loan and deposit margins and changes in business mix.

Non-interest income was $3,100 million and increased $26 million or 1%, driven by Peru and Mexico, partly offset by lower capital markets revenues in Chile and Brazil.

Provision for credit losses

The provision for credit losses was $2,285 million, an increase of $413 million. The provision for credit losses ratio was 137 basis points, an increase of 28 basis points.

Provision for credit losses on performing loans was a net reversal of $52 million, compared to provision taken of $97 million. The provision reversal this period was driven primarily by retail migration to impaired, mainly in Mexico and Peru. This was partly offset by retail portfolio growth, and the impact of the macroeconomic outlook that continues to be unfavourable yet improved from the prior year, as well as credit migration impacting the commercial portfolios.

Provision for credit losses on impaired loans was $2,337 million, compared to $1,775 million, an increase of $562 million. This was due primarily to an increase in retail provisions driven by higher formations across most markets. The provision for credit losses ratio on impaired loans was 140 basis points, an increase of 37 basis points.

Non-interest expenses

Non-interest expenses were $6,131 million, an increase of $174 million or 3%. On an adjusted basis, non-interest expenses were $6,099 million, an increase of $181 million or 3%, driven mainly by higher salaries and employee benefits and technology costs. The business continues to see the benefits of the productivity initiatives, despite an inflationary environment.

Provision for income taxes

The effective tax rate was 20.6% compared to 21.5%. On an adjusted basis, the effective tax rate was 20.6% compared to 21.6%, due primarily to changes in earnings mix.

Outlook

Revenues in International Banking are expected to be lower in 2025, impacted by our planned divestiture of CrediScotia in Peru, and lower earning assets in line with our strategic capital allocation plans. Expenses are expected to grow at a modest rate, reflecting the benefit of ongoing productivity initiatives. Earnings are expected to be lower, impacted by a higher tax rate, driven by the impact of global minimum taxes and reductions in inflation, higher provision for credit losses and the impact of weaker Latin American currencies in 2025. The business will continue to invest to drive profitability and sustainable growth in selected segments and markets across the region.

Global Wealth Management

2024 Achievements

Earn primary client relationships

- Through our commitment to provide clients with Total Wealth advice, Scotia Wealth Management businesses in Canada reached an all-time high in client satisfaction, as measured by Net Promotor Score.
- Delivered over 30% more financial plans to wealth advisory clients in Canada compared to 2023, as we focus on supporting our clients with plan-based, holistic Total Wealth advice.
- Scaled Total Wealth planning capabilities across our international footprint by launching a Total Wealth pilot for Bahamas and Cayman private banking clients, while continuing to expand the Total Wealth model in Mexico.
- Built strong momentum in broadening investment advice to retail clients with mutual funds gross sales increasing significantly over the same period last year.
- Launched the Scotia Private Real Estate Fund as part of our strategic relationship with Sun Life Capital Management to provide private asset solutions to high-net-worth clients.
- Launched the Scotia Global Asset Management brand in Colombia, to further extend our asset management capabilities globally and deliver leading investment solutions to clients.

Grow and scale in priority businesses

- Ranked as the 3rd largest wealth management business in Canada, based on total net income for publicly traded banks as of July 31, 2024.
- Strong momentum continued in our Canadian Wealth and Asset Management businesses, with AUA and AUM in Canada growing by 15% and 18%, respectively.
- Scotiabank is the largest Private Investment Counsel (PIC) business in Canada on a combined basis with Jarislowsky Fraser Ltd (JFL) PIC, Scotia PIC and MD PIC (Investor Economics Winter 2024).
- Scotia Global Asset Management is ranked in the top three in Canadian Retail Mutual Funds by market share among bank-owned peers.
- International Wealth Management delivered double-digit earnings growth, supported by strong growth in Mexico, as we deliver Total Wealth advice and best-in-class investment solutions to our international clients.

Make it easy to do business with us

- Implemented a new financial planning tool to deliver even more Total Wealth advice and planning to our clients.
- Scotia Wealth Management launched a new mobile app for our ScotiaMcLeod clients, which will provide clients access to more digital capabilities and opportunities to engage with advisors in a seamless manner.
- Successfully rolled out a new portfolio management platform for ScotiaMcLeod, enabling greater efficiency and effectiveness for our advisors in constructing portfolios for clients.
- The Scotia Smart Investor platform continued to play an integral role in helping our clients invest and plan for their future, with a 70% year over year lift in assets under management and a 40% increase in the number of accounts activated through Smart Investor
- Continued to modernize the advisor tools across our international footprint by implementing a new advisor desktop solution in Peru, that will enhance advisor productivity and efficiency.
- Maintained the best ratio of wealth specialists to advisors (including ScotiaMcLeod, PIC, JFL and MD) among the Big 5 Canadian Banks to support clients with their unique wealth needs.

Win as one team

- Continued focus on delivering the entire bank to clients and driving partnerships across businesses. Referrals across our Wealth, Retail and Commercial Banking businesses reached a new all-time high in fiscal 2024.
- Scotia Wealth Management was recognized with six Euromoney's Private Banking Awards for 2024: Bahamas' Best International Private Bank; Cayman Islands' Best International Private Bank; Jamaica's Best International Private Bank; Chile's Best Private Bank for Digital Solutions; Mexico's Best Private Bank for Digital Solutions; and Canada's Best Private Bank for Sustainability.
- Scotia Global Asset Management's investment teams were recognized with 21 awards at the annual FundGrade A+ Awards, and were also recognized with 10 individual mutual fund and ETF awards at the 2024 LSEG Lipper Canadian Fund Awards.
- Scotia Wealth Management recognized with three Global Finance Private Bank Awards for 2025: Best Private Bank – Bahamas, Best Private Bank – Caribbean & Central America and Best Private Bank – Peru.
- Scotia Wealth Management received two awards from PWM/The Banker 2024 Global Private Banking Awards: Best Private Bank in North America for Wealthy Women and Best Private Bank in North America for Education and Training of Private Bankers.
- Scotia iTRADE ranked 2nd among the Big 5 banks in the 2024 MoneySense Best Online Brokers in Canada.

Business Profile

Global Wealth Management is focused on delivering comprehensive wealth management advice and solutions to clients across Scotiabank's footprint. Global Wealth Management serves over 2 million investment fund and advisory clients across 13 countries – administering over $700 billion in assets.

Global Wealth Management has built a robust client-centric business with comprehensive advice, products, and platforms to meet a broad range of client needs.

Global Wealth Management is comprised of the following businesses:

- **Wealth Management:** Online brokerage (Scotia iTRADE), Scotia Financial Planning (Scotiabank), Full-service brokerage (ScotiaMcLeod and MD Financial Management), Scotiatrust, Private Banking, Private Investment Counsel (Scotia Wealth Management, Jarislowsky Fraser, and MD Financial Management).
- **Asset Management:** Retail mutual funds, Exchange Traded Funds, Liquid Alternatives, Institutional Funds/Strategies.

Scotiatrust, ScotiaMcLeod, Scotia iTRADE, Private Banking, Private Investment Counsel, 1832 Asset Management and Dynamic Funds are top performers in key industry metrics.

Strategy

Global Wealth Management continues to execute on its mission to provide clients with strong risk-adjusted investment results and financial planning to deliver wealth solutions that meet their complex needs. The focus continues to be delivering comprehensive advice and planning to best serve clients in the current economic environment and through all market conditions. To maintain our strong momentum towards that focus, Global Wealth Management is continuing to enhance our Total Wealth advice capabilities and innovating our product shelf to deliver purpose-built products for our clients.

In addition, Global Wealth Management is focused on maximizing its international footprint, including leveraging the Bank's Retail and Commercial Banking infrastructure and network in priority markets across Latin America and the Caribbean.

2025 Priorities

- **Earn primary client relationships:** Evolve Total Wealth model to do even more financial planning, and broaden investment advice to Retail clients to win new clients and deepen relationships
- **Grow and scale in priority businesses:** Maximize momentum in Canada across Wealth and Asset Management, while continuing to scale capabilities in international markets to accelerate growth
- **Make it easier to do business with us:** Deliver innovative digital client solutions and modernize our advisor tools and platforms to deliver a leading client experience, while investing in our people to grow our integrated team
- **Win as one team:** Enhance partnerships with Retail, Small Business and Commercial Banking to deliver the whole Bank to clients, and foster an inclusive culture that reflects our communities

T25 Global Wealth Management financial performance

Taxable equivalent basis ($ millions)	2024	2023
Reported results		
Net interest income	**$ 936**	$ 842
Non-interest income	**4,826**	4,449
Total revenue	**5,762**	5,291
Provision for credit losses	**27**	10
Non-interest expenses	**3,610**	3,350
Income tax expense	**539**	491
Net income	**$ 1,586**	$ 1,440
Net income attributable to non-controlling interests in subsidiaries	**10**	9
Net income attributable to equity holders of the Bank	**$ 1,576**	$ 1,431
Key ratios and other financial data		
Return on equity (1)	**15.4%**	14.6%
Productivity (2)	**62.7%**	63.3%
Selected Consolidated Statement of Financial Position data (average balances)		
Earning assets (1)	**$ 25,849**	$ 24,294
Total assets	**35,474**	34,127
Deposits	**35,626**	33,576
Total liabilities	**39,920**	40,481
Other ($ billions)		
Assets under administration (2)	**$ 704**	$ 610
Assets under management (2)	**$ 373**	$ 317

(1) Refer to Non-GAAP Measures on page 20 for the description of the measure.
(2) Refer to Glossary on page 132 for the description of the measure.

T25A Adjusted Global Wealth Management financial performance (1)

($ millions)	2024	2023
Adjusted results		
Net interest income	**$ 936**	$ 842
Non-interest income	**4,826**	4,449
Total revenue	**5,762**	5,291
Provision for credit losses	**27**	10
Non-interest expenses (2)	**3,574**	3,314
Income before taxes	**2,161**	1,967
Income tax expense	**549**	501
Net income	**$ 1,612**	$ 1,466
Net income attributable to non-controlling interests in subsidiaries (NCI)	**10**	9
Net income attributable to equity holders	**$ 1,602**	$ 1,457

(1) Refer to Non-GAAP Measures on page 20 for the description of the adjustments.
(2) Includes adjustment for Amortization of acquisition-related intangible assets of $36 (2023 – $36).

Financial Performance

Net income

Net income attributable to equity holders was $1,576 million, compared to $1,431 million in the prior year. Adjusted net income attributable to equity holders was $1,602 million, up $145 million or 10%. The increase was due to higher mutual fund fees, brokerage revenues, and net interest income across the Canadian and International wealth businesses. This was partly offset by higher non-interest expenses due largely to volume-related expenses.

Assets under management (AUM) and assets under administration (AUA)

Assets under management of $373 billion increased $56 billion or 18% driven by market appreciation partly offset by net redemptions. Assets under administration of $704 billion increased $94 billion or 15% due to higher net sales and market appreciation.

Revenues

Revenues of $5,762 million increased $471 million or 9%, due to higher fee income and net interest income.

Net interest income of $936 million increased $94 million or 11%, driven by loan and deposit growth, and improved margins.

Non-interest income was $4,826 million, up $377 million or 8%. The increase was due primarily to higher mutual fund, brokerage and investment management fees, driven by assets under management and assets under administration growth.

Canada

Revenues of $4,947 million were up $375 million or 8% due primarily to higher brokerage, mutual fund, and investment management fees, driven by assets under management and assets under administration growth, and higher net interest income driven by loan and deposit growth, and improved margins.

International

Revenues of $814 million increased by $95 million or 13%. The growth was due primarily to higher mutual fund fees, particularly within Mexico, and higher brokerage revenues and net interest income, driven by loan and deposit growth.

Provision for credit losses

The provision for credit losses was $27 million, compared to $10 million. The provision for credit losses ratio was 11 basis points, an increase of seven basis points.

Provision for credit losses on performing loans was $3 million, compared $6 million.

Provision for credit losses on impaired loans was $24 million, compared to $4 million. The provision this year was due primarily to higher formations, mainly related to two impaired loan accounts. The provision for credit losses ratio on impaired loans was nine basis points, an increase of seven basis points.

Non-interest expenses

Non-interest expenses of $3,610 million increased by $260 million or 8%, due primarily to increased volume-related expenses, sales force expansion, and higher technology, advertising, and business development costs to support business growth.

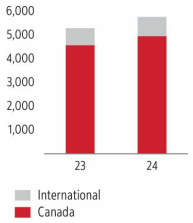
Provision for income taxes

The effective tax rate of 25.4% was in line with prior year.

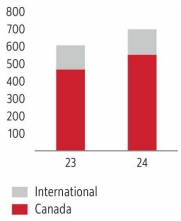
Outlook

Revenue growth in Global Wealth Management is expected to be driven by retail mutual fund volume growth through active management and multi-brand distribution in Canada; solid growth across our advisory business; and continued expansion across our key international markets. Earnings are expected to grow in 2025 from market appreciation and strong new business volumes. Global Wealth Management will continue to invest in the business through ongoing enhancements to digital client and advisor capabilities.

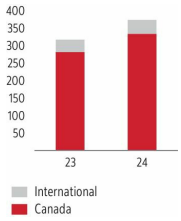
C12 **Total revenue by sub-segment** $ millions



C13 **Wealth management assets under administration (AUA)** $ billions, as at October 31



C14 **Wealth management assets under management (AUM)** $ billions, as at October 31



Global Banking and Markets

2024 Achievements

Earn primary client relationships

- Advanced U.S. Technology and Healthcare sector strategies, growing non-lending revenue across these sectors.
- Supported our clients in three notable transactions that earned recognition in the 2024 Environmental Finance Sustainable Debt Awards. These awards celebrate leading green, social, sustainable and sustainability-linked bond and loan deals.
- Hosted inaugural Global Technology Conference in San Francisco, strengthening our Investment Banking practice and client relationships in this priority sector.

Grow and scale in priority markets

- In Canadian League Tables, GBM is ranked 4th in both Mergers and Acquisitions (M&A) and Equity Capital Market (ECM).
- In Pacific Alliance League Tables, GBM is ranked 4th in M&A and 5th in ECM; in the U.S., GBM is ranked 19th in Debt Capital Market (DCM).
- Launched Multinational Client Pilot Program with a select group of multinational clients across our global footprint, to co-create a comprehensive value proposition for this strategic client segment.
- Signed first sustainability-linked loan in the European market, acting as Lead Arranger, Lender, and Sole Sustainability Coordinator on three ESG-linked facilities.

Make it easy to do business with us

- Launched a simplified and streamlined Know Your Client process in April 2024.
- Added new FX Options capabilities for corporate and commercial clients.
- Hired an industry leading specialized team to launch the U.S. Mortgage Capital Markets business, contributing to a more complete U.S. client-focused business.
- Commenced Pilot Chaperone Process, aiming to improve the client onboarding experience and reduce time-to-transact through a single point of contact.

Win as one team

- Established Canada's first majority Indigenous owned and operated investment dealer: Cedar Leaf Capital Inc., together with two Indigenous development corporations and one First Nation.
- Partnered with 100 Women in Finance to further strengthen our DEI strategy to attract and retain women while positioning GBM as an employer of choice for diverse communities.

Select awards and deal highlights

Awards

- Global Finance Sustainable Finance Awards 2024 including Best Bank for Sustainable Finance in Canada
- Global Finance 2024: Best Foreign Exchange (FX) Bank in Canada

Deal highlights

- Joint Bookrunner on a number of notable mandates this year, including:
  - Enbridge Inc's $1.8 billion three-tranche offering, tied for the 2nd largest corporate transaction of 2024
  - Foundry JV Holdco's $3.85 billion 4-part senior offering, meaningfully tightening trading delta vs. Intel Corp's secondaries, and was Scotiabank's first Active Joint Bookrunner role for the client
  - Pembina Pipeline's $1.3 billion cross border offering of subscription receipts, representing the largest deal in the Canadian Energy sector in 2024 and the second largest bought deal for the year overall.
  - Lineage Inc's US$5.1 billion initial public offering, which represents the largest IPO in the history of the REIT industry, as well as the largest U.S. equity or equity-linked offering of 2024
  - Southern Company's US$1.5 billion convertible bond offering, which was the third largest U.S. deal in the Utilities sector in 2024
- Financial Advisor on a number of marquee transactions this year, including:
  - KKR's acquisition of Emera's indirect interest in the Labrador Island Link for $1.2 billion
  - Tricon Residential on its sale to Blackstone for US$6.5 billion
  - Enbridge on its sale of its interests in Alliance Pipeline and Aux Sable to Pembina Pipeline for $3.1 billion
  - Persistence Capital Partners on its privatization of Neighbourly Pharmacy at a valuation of $1.2 billion
  - eStruxture Data Centers on its $1.8 billion strategic investment from Fengate Asset Management

Business Profile

Global Banking and Markets (GBM) provides corporate clients with lending and transaction services, investment banking advice and access to capital markets. GBM is a full-service wholesale bank in the Americas, serving clients across Canada, the United States, Latin America, Europe and Asia-Pacific.

Strategy

Global Banking and Markets' ambition is to deliver sustainable and profitable growth for shareholders, driven by disciplined capital allocation across our footprint. To achieve this vision, GBM is focused on increasing relevance with clients with leading financial advice and solutions and on expanding the Bank's full-service corporate offering and prioritizing client relationships where we can provide incremental value beyond lending. We are leveraging regional and institutional capabilities to deliver for our clients with focused growth in businesses and markets supported by our strategic framework.

2025 Priorities

- **Earn primary client relationships:** Drive greater emphasis on shareholder value by strengthening our repeatable, fee-based businesses and improving the precision of our capital and liquidity pricing at the client and product level
- **Grow and scale in priority markets:** Continue to make strong progress in our North American focused capability build, and in the U.S., make significant infrastructure upgrades to meet regulatory expectations and enable growth
- **Make it easy to do business with us:** Transition from a product centric to a client-first global coverage model, reducing loan-only clients and increasing the velocity of capital to improve returns
- **Win as one team:** Develop a comprehensive go-to-market strategy to drive greater cross-sell within GBM and increase partnerships with other Business Lines

T26 Global Banking and Markets financial performance

Taxable equivalent basis ($ millions)	2024	2023
Reported results		
Net interest income	**$ 1,441**	$ 1,572
Non-interest income(1)	**3,972**	3,980
Total revenue	**5,413**	5,552
Provision for credit losses	**47**	101
Non-interest expenses	**3,199**	3,062
Income tax expense(1)	**479**	621
Net income	**$ 1,688**	$ 1,768
Net income attributable to non-controlling interests in subsidiaries	**–**	–
Net income attributable to equity holders of the Bank	**$ 1,688**	$ 1,768
Key ratios and other financial data		
Return on equity(2)	**11.0%**	12.2%
Productivity(3)	**59.1%**	55.2%
Provision for credit losses – performing (Stages 1 and 2)	**$ 42**	$ 101
Provision for credit losses – impaired (Stage 3)	**$ 5**	$ –
Provision for credit losses as a percentage of average net loans and acceptances (3)	**0.04%**	0.07%
Provision for credit losses on impaired loans as a percentage of average net loans and acceptances (3)	**–%**	–%
Net write-offs as a percentage of average net loans and acceptances (3)	**–%**	–%
Selected Consolidated Statement of Financial Position data (average balances)		
Trading assets	**$ 132,210**	$ 108,778
Loans and acceptances	**111,670**	128,276
Earning assets(2)	**454,808**	446,426
Total assets	**494,595**	490,246
Deposits	**172,023**	181,989
Total liabilities	**475,212**	455,426

(1) Includes the gross-up of tax-exempt income earned on certain securities reported in non-interest income for the year ended October 31, 2024 of $52 (October 31, 2023 – $437).
(2) Refer to Non-GAAP Measures on page 20 for the description of the measure.
(3) Refer to Glossary on page 132 for the description of the measure.

Financial Performance

Net income

Global Banking and Markets reported net income attributable to equity holders of $1,688 million, a decrease of $80 million or 5%. This decline was due to higher non-interest expenses, lower net interest income, and lower non-interest income due mainly to a lower taxable equivalent basis (TEB) gross-up, as the Bank no longer claims the dividend received deduction on Canadian shares that are mark-to-market property. This was partly offset by lower provision for credit losses, lower income tax expense and the positive impact of foreign currency translation.

Average assets and liabilities

Average assets increased by $4 billion or 1% to $495 billion this year, due mainly to higher trading securities and the impact of foreign currency translation, partly offset by lower business loans and acceptances.

Average liabilities increased by $20 billion or 4% to $475 billion this year, due mainly to higher securities sold under repurchase agreements and the impact of foreign currency translation, partly offset by lower deposits.

Revenues

Revenues were $5,413 million, a decrease of $139 million or 3%. This was due to lower net interest income and lower non-interest income, partly offset by the positive impact of foreign currency translation.

Net interest income of $1,441 million decreased by $131 million or 8%. This was due mainly to higher trading-related funding costs and lower corporate lending volume of $16 billion or 13%, as well as lower deposit volume of $10 billion or 5% related to capital optimization efforts to improve profitability.

Non-interest income of $3,972 million decreased by $8 million. Higher underwriting and advisory fees and fee and commission revenue were offset by lower trading-related revenue resulting from a lower taxable equivalent basis (TEB) gross-up, as the Bank no longer claims the dividend received deduction on Canadian shares that are mark-to-market property.

Provision for credit losses

The provision for credit losses was $47 million compared to $101 million. The provision for credit losses ratio was four basis points, a decrease of three basis points.

Provision for credit losses on performing loans was $42 million, compared to $101 million. The provision this period was driven primarily by credit migration and the macroeconomic outlook that continues to be unfavourable, yet improved from the prior year.

Provision for credit losses on impaired loans was $5 million, compared to nil.

Non-interest expenses

Non-interest expenses increased by $137 million or 4% to $3,199 million, driven mainly by higher personnel and technology costs to support business growth and the impact of foreign currency translation.

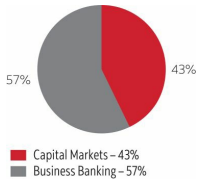
Provision for income taxes

The effective tax rate was 22.1% compared to 26.0% the prior year, due mainly to the change in earnings mix across jurisdictions.

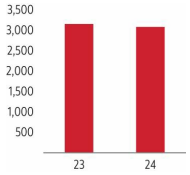
Outlook

Global Banking and Markets will be focused on priority markets and client primacy to generate increased share of wallet and higher fee income. In capital markets, revenue growth will be led by Fixed Income, Currencies & Commodities (FICC), while business banking is expected to grow at a more moderate pace due to lower balance sheet growth, driven by capital and liquidity optimization initiatives. Expense growth will be focused on key investments in priority segments and markets, partly funded by productivity initiatives. Earnings growth will be supported by focusing on its priority markets in North America to strengthen client relationships and drive profitable and sustainable growth.

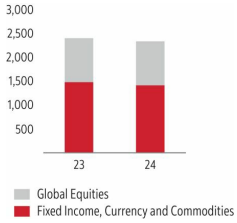
C15 Total revenue



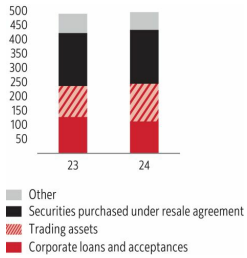
C16 Business banking revenue $ millions



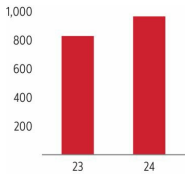
C17 Capital markets revenue by business line $ millions



C18 Composition of average assets $ billions



C19 US Net Income



Other

The Other segment includes Group Treasury, smaller operating segments and corporate items which are not allocated to a business line. Group Treasury is primarily responsible for Balance Sheet, Liquidity and Interest Rate Risk management, which includes the Bank's wholesale funding activities.

Net interest income, non-interest income, and the provision for income taxes in each period include the elimination of tax-exempt income gross-up. This amount is included in the operating segments, which are reported on a taxable equivalent basis.

Net income from associated corporations and the provision for income taxes in each period include the tax normalization adjustments related to the gross-up of income from associated companies. This adjustment normalizes the effective tax rate in the divisions to better present the contribution of the associated companies to the divisional results.

Financial Performance

T27 Other financial performance

($ millions)	2024	2023
Reported results		
Net interest income[1]	**$ (2,856)**	$ (2,044)
Non-interest income[1][2][3]	**(328)**	(433)
Total revenue[1]	**(3,184)**	(2,477)
Provision for credit losses	**1**	–
Non-interest expenses[3]	**637**	924
Income tax expense[1]	**(1,327)**	(1,104)
Net income (loss)	**$ (2,495)**	$ (2,297)
Net income (loss) attributable to non-controlling interests in subsidiaries	**(1)**	(3)
Net income (loss) attributable to equity holders	**$ (2,494)**	$ (2,294)

(1) Includes the net residual in matched maturity transfer pricing, and the elimination of the tax-exempt income gross-up reported in net interest income, non-interest income, and provision for income taxes in the business segments, which are reported on a taxable equivalent basis.
(2) Includes net income from investments in associated corporations of $(59) (2023 – $(188)).
(3) Includes elimination of fees paid to Canadian Banking by Canadian Wealth Management for administrative support and other services provided by Canadian Banking to the Global Wealth Management businesses. These are reported as revenues in Canadian Banking and operating expenses in Global Wealth Management.

T27A Adjusted Other financial performance[1]

($ millions)	2024	2023
Adjusted results		
Net interest income	**$ (2,856)**	$ (2,044)
Non-interest income[2]	**(185)**	(800)
Total revenue	**(3,041)**	(2,844)
Provision for credit losses	**1**	–
Non-interest expenses[3]	**(25)**	137
Income before taxes	**(3,017)**	(2,981)
Income tax expense[4]	**(1,205)**	(1,538)
Net income (loss)	**$ (1,812)**	$ (1,443)
Net income (loss) attributable to non-controlling interests (NCI)	**1**	–
Net income (loss) attributable to equity holders	**$ (1,813)**	$ (1,443)

(1) Refer to Non-GAAP Measures on page 20 for the description of the adjustments.
(2) Includes adjustment for divestitures and wind-down of operations of $143 (October 31, 2023 – $(367)).
(3) Includes adjustment for legal provision of $176, restructuring charge and severance provisions of $53, impairment of non-financial assets of $440 and divestiture and wind-down of operations of $(7) for the year ended October 31, 2024. Adjustments for the year ended October 31, 2023 include restructuring charge and severance provisions of $354, consolidation of real estate and contract termination costs of $87 and impairment of non-financial assets of $346.
(4) Includes adjustment for the Canada recovery dividend of $579 for the year ended October 31, 2023.

Net income

The Other segment reported a net loss attributable to equity holders of $2,494 million compared to a net loss of $2,294 million in the prior year. Adjusted net income attributable to equity holders was a loss of $1,813 million compared to net loss of $1,443 million in the prior year. The higher loss of $370 million was due to lower revenues primarily related to higher funding costs and higher income taxes, partly offset by lower non-interest expenses.

Revenues

Revenues were negative $3,184 million this year. Adjusted revenues were negative $3,041 million, a decrease of $197 million from the prior year, due primarily to higher funding costs and higher losses from hedges, as a result of central bank rate increases from prior years. This was partly offset by higher income from liquid assets, lower unrealized losses in associated corporations, and a lower taxable equivalent basis (TEB) gross-up as the Bank no longer claims the dividend received deduction on Canadian shares. The TEB gross-up is offset in income taxes.

Non-interest expenses

Non-interest expenses were $637 million, compared to $924 million. Adjusted non-interest expenses were a gain of $25 million compared to an expense of $137 million in 2023. The decrease of $162 million is due mainly to lower project costs.

Outlook

The loss in the Other segment is expected to improve in fiscal 2025. The improved results are expected to be driven primarily by lower funding costs as a result of central bank rate decreases, as well as repricing of assets at higher interest rates.

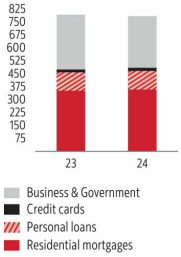
GROUP FINANCIAL CONDITION

T28 Condensed statement of financial position

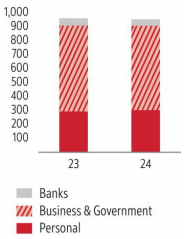
As at October 31 ($ billions)	2024(1)	2023(1)	Change	Volume Change	FX Change
Assets					
Cash, deposits with financial institutions and precious metals	**$ 66.4**	$ 91.2	(27.2)%	(27.0)%	(0.2)%
Trading assets	**129.7**	117.9	10.1	9.7	0.4
Securities purchased under resale agreements and securities borrowed	**200.6**	199.3	0.6	(0.1)	0.7
Derivative financial instruments	**44.4**	51.4	(13.6)	(15.8)	2.2
Investment securities	**152.8**	118.2	29.3	29.3	–
Loans	**760.8**	750.9	1.3	2.0	(0.7)
Other	**57.3**	82.1	(30.2)	(29.7)	(0.5)
Total assets	**$1,412.0**	$1,411.0	0.1%	0.3%	(0.2)%
Liabilities					
Deposits	**$ 943.8**	$ 952.3	(0.9)%	(0.7)%	(0.2)%
Derivative financial instruments	**51.3**	58.7	(12.6)	(12.1)	(0.5)
Obligations related to securities sold under repurchase agreements and securities lent	**190.5**	160.0	19.0	17.9	1.1
Other	**134.5**	151.8	(11.3)	(10.6)	(0.7)
Subordinated debentures	**7.8**	9.7	(19.2)	(19.3)	0.1
Total liabilities	**$1,327.9**	$1,332.5	(0.3)%	(0.2)%	(0.1)%
Equity					
Common equity(2)	**$ 73.6**	$ 68.7	7.0%	9.6%	(2.6)%
Preferred shares and other equity instruments	**8.8**	8.1	8.7	8.7	–
Non-controlling interests in subsidiaries	**1.7**	1.7	(1.3)	(0.9)	(0.4)
Total equity	**$ 84.1**	$ 78.5	7.0%	9.3%	(2.3)%
Total liabilities and equity	**$1,412.0**	$1,411.0	0.1%	0.3%	(0.2)%

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) Includes net impact of foreign currency translation, primarily change in spot rates on the translation of assets and liabilities from functional currency to Canadian dollar equivalent.

C20 Loan portfolio loans & acceptances, $ billions, as at October 31



C21 Deposits $ billions, as at October 31



Statement of Financial Position

Assets

The Bank's total assets were $1,412 billion as at October 31, 2024, an increase of $1 billion from October 31, 2023. Cash and deposits with financial institutions decreased $26 billion due primarily to lower balances with central banks. Trading securities increased $12 billion due mainly to higher client activity. Loans increased $10 billion. Residential mortgages were up $7 billion due mainly to growth in Canada. Personal and credit cards loans increased $2 billion, primarily in Canada. Business and government loans increased $1 billion with growth in Canada, partly offset by decreases in other locations. Securities purchased under resale agreements and securities borrowed increased $1 billion due mainly to higher client activity. Derivative instrument assets decreased by $7 billion due to changes in interest rates and foreign exchange rates. Investment securities increased $35 billion due mainly to increased holdings of U.S. and Canadian government debt to support liquidity requirements. Customers' liability under acceptances decreased $18 billion due to the BA conversion. Other assets decreased $5 billion due mainly to lower collateral requirements.

Liabilities

Total liabilities were $1,328 billion as at October 31, 2024, a decrease of $5 billion from October 31, 2023. Total deposits decreased $8 billion. Personal deposits of $299 billion increased $10 billion due primarily to growth in term deposits in Canada. Business and government deposits were lower by $12 billion, mainly in Asia and the U.S. Deposits by financial institutions were down $7 billion, mainly in Asia. Financial instruments designated at fair value through profit or loss increased $10 billion due to new issuances and changes in fair value (see note 10 of the Consolidated Financial Statements). Obligations related to securities sold under repurchase agreements and securities lent increased $30 billion due mainly to client activity. Obligations related to securities sold short decreased $1 billion due to lower client demand. Derivative instrument liabilities decreased $7 billion due to changes in interest rates and foreign exchange rates. Acceptances decreased $19 billion due to the BA conversion. Subordinated debentures were lower by $2 billion due mainly to a redemption in Q1 2024. Other liabilities decreased $7 billion due mainly to lower subsidiary debt.

Equity

Total shareholders' equity was $84 billion, an increase of $6 billion from October 31, 2023. Equity was higher due to current year earnings of $7,892 million, other comprehensive income of $712 million, net preferred share and other equity instrument issuances of $704 million, and common share issuances of $1,945 million, primarily related to the Shareholder Dividend and Share Purchase Plan. Partly offsetting these items were dividends paid of $5,670 million.

Capital Management

Overview

Scotiabank is committed to maintaining a strong capital base to support the risks associated with its diversified businesses. Strong capital levels contribute to financial safety for the Bank's customers, foster investor confidence and support strong credit ratings. It also allows the Bank to take advantage of growth opportunities as they arise and enhance shareholder returns through increased dividends. The Bank's capital management framework includes a comprehensive internal capital adequacy assessment process (ICAAP), aimed at ensuring that the Bank's capital is adequate to meet current and future risks and achieve its strategic objectives. Key components of the Bank's ICAAP include sound corporate governance; creating a comprehensive risk appetite for the Bank; managing and monitoring capital, both currently and prospectively; and utilizing appropriate financial metrics which relate risk to capital, including internal capital and regulatory capital measures.

Governance and oversight

The Bank has a sound capital management framework to measure, deploy and monitor its available capital and assess its adequacy. Capital is managed in accordance with the Board-approved Capital Management Policy. In addition, the Board reviews and approves the Bank's annual capital and strategic plans. The Asset-Liability Committee and senior executive management provide governance over the capital management process. The Bank's Finance, Group Treasury and Global Risk Management groups take a coordinated approach to implementing the Bank's capital plan.

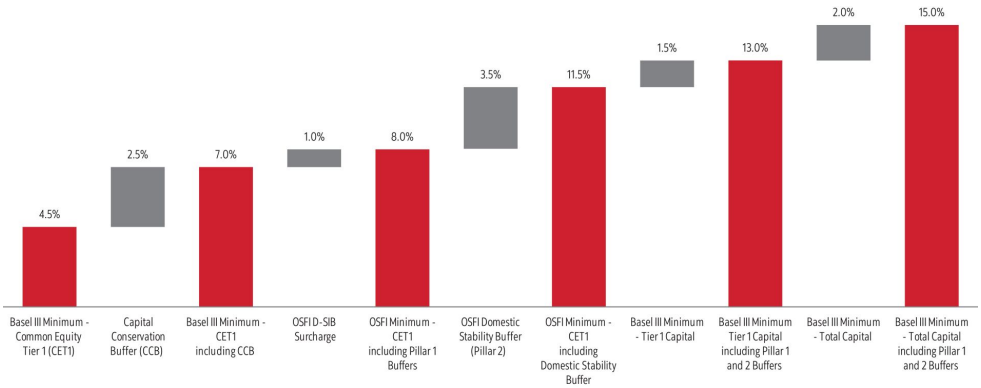
Risk appetite

The risk appetite framework that establishes enterprise-wide risk tolerances in addition to capital limits is detailed in the Risk Management section "Risk Appetite". The framework encompasses medium-term targets with respect to regulatory capital thresholds, earnings and other risk-based parameters. These limits drive behaviour to ensure the Bank achieves the following overall objectives: exceed regulatory and internal capital targets, manage capital levels commensurate with the risk profile of the Bank, maintain strong credit ratings and provide the Bank's shareholders with acceptable returns.

Regulatory capital

Canadian banks are subject to the revised capital adequacy requirements as published by the Basel Committee on Banking Supervision (BCBS) and commonly referred to as Basel III. Under Basel III, there are three primary risk-based regulatory capital ratios used to assess capital adequacy: Common Equity Tier 1 (CET1), Tier 1 and Total capital, which are determined by dividing those capital components by risk-weighted assets. Basel III also provides guidance on non-viability contingent capital (NVCC). The guidance stipulates that in order to qualify as regulatory capital, non-common share capital instruments must be convertible into common equity upon a trigger event as defined within the guidance.

C22 Minimum Regulatory Capital Requirements (as at October 31, 2024)



The Office of the Superintendent of Financial Institutions, Canada (OSFI) has issued guidelines, reporting requirements and disclosure guidance which are consistent with the international implementation of Basel III. OSFI requires Canadian deposit-taking institutions to meet minimum requirements related to risk-weighted assets of 7%, 8.5% and 10.5% for CET1, Tier 1 and Total capital ratios, respectively, which includes the capital conservation buffer of 2.5%. OSFI has also designated the Bank a domestic systemically important bank (D-SIB), increasing its minimum capital ratio requirements by 1% across all tiers of capital, in line with the requirements for Global Systemically Important Banks. OSFI's minimum Pillar 1 capital ratio requirements, are 8.0%, 9.5% and 11.5% for Common Equity Tier 1, Tier 1 and Total capital ratios, respectively.

In June 2018, OSFI implemented the Domestic Stability Buffer, to be held by Domestic Systemically Important Banks (D-SIBs) as an additional Pillar 2 buffer. Breaches of this buffer will not result in banks being subject to automatic constraints on capital distributions. Instead, OSFI will require a remediation plan to address any shortfall to their minimum. Supervisory interventions pursuant to OSFI's Guide to Intervention would occur in cases where a remediation plan is not produced or executed in a timely manner satisfactory to OSFI. OSFI undertakes a review of the buffer on a semi-annual basis, in June and December, and any changes to the buffer are made public, along with supporting rationale. In exceptional circumstances, OSFI may make and announce adjustments to the buffer in-between scheduled review dates. In addition, OSFI may subsequently vary the minimum requirements for individual D-SIBs or groups of D-SIBs, as a supervisory measure.

In June 2023, OSFI announced that the Domestic Stability Buffer (DSB) will increase to 3.5% of total risk-weighted assets (RWA), effective November 1, 2023. In addition, in June 2024, OSFI maintained the DSB at 3.5% of RWA. OSFI's minimum regulatory capital ratio requirements, including the D-SIB 1.0% surcharge and its DSB are: 11.5%, 13.0% and 15.0% for Common Equity Tier 1 (CET1), Tier 1 and Total capital ratios, respectively.

Leverage ratio

In addition to risk-based capital ratio requirements, Basel III introduced a simpler, non risk-based Leverage ratio requirement to act as a supplementary measure to its risk-based capital requirements. The Leverage ratio is defined as a ratio of Basel III Tier 1 capital to a leverage exposure measure which includes on-balance sheet assets and off-balance sheet commitments, derivatives and securities financing transactions, as defined within the requirements. OSFI's Basel III Leverage Ratio Requirements Guideline and Public Disclosure Requirements outline the application and disclosure of the Basel III Leverage ratio in Canada. Institutions are expected to maintain an operating buffer above the 3.5% minimum, including the D-SIB surcharge of 0.5%, effective Q2 2023.

Total Loss Absorbing Capacity (TLAC)

OSFI has issued its guideline on Total Loss Absorbing Capacity (TLAC), which applies to Canada's D-SIBs as part of the Federal Government's bail-in regime. The standard is intended to address the sufficiency of a systemically important bank's loss absorbing capacity to support its

recapitalization in the event of its failure. D-SIBs are required to maintain a minimum risk-based Total Loss Absorbing Capacity (TLAC) ratio and a minimum TLAC leverage ratio. TLAC is defined as the aggregate of NVCC Tier 1 capital, NVCC Tier 2 capital, and other TLAC instruments that are subject to conversion in whole or in part into common shares under the Canada Deposit Insurance Corporation (CDIC) Act and meet all of the eligibility criteria under the guidelines. The Bank's minimum TLAC ratio requirements consist of 25.0% of RWA and 7.25% of leverage ratio exposures. As noted above, OSFI may subsequently vary the minimum TLAC requirements for D-SIBs. Where a D-SIB falls below the minimum TLAC requirements, OSFI may take any measures deemed appropriate, including measures set out in the Bank Act (Canada). As at October 31, 2024, the Bank exceeds the OSFI minimum TLAC and TLAC leverage ratios.

Regulatory capital developments

Effective the second quarter of fiscal 2023, the Bank adopted the Revised Basel III reforms in accordance with OSFI's revised Capital Adequacy Requirements Guideline, Leverage Ratio Requirements Guideline, and Pillar 3 Disclosures Guideline for domestic systematically important banks (D-SIBs). OSFI's requirements are substantially aligned with the BCBS' Revised Basel III reforms with some differences, primarily in residential real estate and qualifying revolving retail exposures, and with respect to an acceleration of the phase-in period of the aggregate capital output floor to 72.5% by 2026.

Revised Basel III reforms

The final Basel III reforms implemented in the second quarter of 2023 primarily impact the calculation of RWA and include:

- a revised standardized approach for credit risk, with increased granularity of prescribed risk weights for credit cards, mortgages and business loans;
- revisions to the internal ratings-based approach for credit risk with new requirements for internally developed model parameters under the Advanced Internal Ratings-Based Approach (AIRB), including scope restrictions which limit certain asset classes to only the Foundation Internal Ratings-Based (FIRB) approach;
- a revised standardized approach for operational risk, which builds on the existing standardized approach including the recognition of an institution's operational risk loss experience;
- revisions to the measurement of the Leverage ratio and a Leverage ratio buffer, which will take the form of a Tier 1 capital buffer set at 50% of a D-SIB's 1.0% risk-weighted surcharge capital buffer; and,
- an aggregate output floor, which will ensure that banks' RWAs generated by internal models are not lower than 72.5% of RWAs as calculated by the Basel III framework's standardized approaches. There is an international phase-in period for the 72.5% aggregate capital output floor from 2023 until 2028, beginning at 65% for Canadian banks in the second quarter of 2023. Internationally, adoption of the revised Basel III reforms is varied across jurisdictions. Current expectations are that many jurisdictions will implement no earlier than 2025.

Additionally, the revised market risk framework and credit valuation adjustment (CVA) framework were implemented in the first quarter of 2024. The main changes include:

- revised standardized and modelled approaches for market risk capital requirements.
- a new standardized approach for CVA (SA-CVA) similar to the standardized approach for market risk.

Internationally, adoption of the revised Basel III reforms is varied across jurisdictions. Current expectations are that many jurisdictions will implement no earlier than 2025.

The Bank continues to monitor and prepare for developments impacting regulatory capital requirements.

OSFI delays phase-in of Basel III output floor

In July 2024, OSFI announced a one-year delay to the increase of the capital output floor. OSFI has noted that the one-year delay will give OSFI time to consider the implementation timeline of the Basel III 2017 reforms in other jurisdictions.

As noted above, Canada concluded its implementation of the revised Basel III 2017 reforms in early 2024 and established an accelerated phase-in of the capital output floor, calibrated at 65% in 2023, increasing in the first quarter by 2.5% per year through to 72.5% in 2026. OSFI's announcement of a one-year delay maintains the capital floor calibration at 67.5% through fiscal 2024 and fiscal 2025, increasing to 70% in 2026 and 72.5% in 2027. OSFI plans to continue to measure implementation progress of the Basel III 2017 reforms across jurisdictions with a focus on both the competitive balance in banking and the soundness of Canada's capital regime.

OSFI finalizes its Solo Total Loss Absorbing Capacity (TLAC) framework

In September 2023, OSFI finalized changes to its Solo TLAC Framework, effective the first quarter of 2024. Under this framework, OSFI has established a risk-based Solo TLAC ratio, which builds on the risk-based TLAC ratio set out in OSFI's TLAC Guideline and the risk-based capital ratios described within OSFI's Capital Adequacy Requirements Guideline. The risk-based Solo TLAC ratio will be the primary basis used by OSFI to assess the sufficiency of TLAC that is readily available to the domestic Parent Bank and to assess the Parent's ability to act as a source of strength for its subsidiaries and/or other affiliates. D-SIBs are required to maintain a minimum Solo TLAC ratio of 21.5% on a continuous basis. Public disclosure of a D-SIBs' Solo TLAC ratio is not presently a requirement. OSFI plans to consult on its data assurance and its future public disclosure expectations in due course. The Bank is compliant with OSFI's final Solo TLAC requirements.

The Bank continues to monitor and prepare for developments impacting regulatory capital requirements.

Planning, managing and monitoring capital

Capital is managed and monitored based on planned changes in the Bank's strategy, identified changes in its operating environment or changes in its risk profile. As part of the Bank's comprehensive ICAAP, sources and uses of capital are measured and monitored on an ongoing basis through financial metrics, including regulatory thresholds, and internal capital. These results are used in capital planning and strategic decision-making.

The Bank's assessment of capital adequacy is in the context of its current position and its expected future risk profile and position relative to its internal targets while considering the potential impact of various stress scenarios. Specific scenarios are selected based on the current economic conditions and business events facing the Bank. In addition, the Bank's forward looking capital adequacy assessment includes a consideration of the results of more severe multi-risk scenarios within its enterprise-wide stress testing. This testing is used to determine the extent to which severe, but plausible events, impact the Bank's capital.

The Bank sets internal regulatory capital targets to ensure the Bank's available capital is sufficient within the context of its risk appetite.

The Bank's internal target includes an adequate buffer over the regulatory minimum ensuring sufficient flexibility for future capital deployment and in consideration of the Bank's risk appetite, the volatility of planning assumptions, the results from stress testing and contingency planning.

The Bank has a comprehensive risk management framework to ensure that the risks taken while conducting its business activities are consistent with its risk appetite, its impact on capital relative to internal targets, and that there is an appropriate balance between risk and return. Refer to the Risk Management section for further discussion on the Bank's risk management framework. In managing the Bank's capital base, close attention is paid to the cost and availability of the various types of capital, desired leverage, changes in the assets and risk-weighted assets, and the opportunities to profitably deploy capital. The amount of capital required for the business risks being assumed, and to meet regulatory requirements, is balanced against the goal of generating an appropriate return for the Bank's shareholders.

Capital generation

Capital is generated internally through net earnings after dividend payments. As well, capital is generated by the issuance of common shares, preferred shares and other equity instruments, and subordinated debentures, net of redemptions.

Capital deployment

The Bank deploys capital to support sustainable, long-term revenue and net income growth. The growth can be through existing businesses by attracting new customers, increasing cross-selling activities to existing customers, adding new products and enhancing sales productivity, or through acquisitions. All major initiatives to deploy capital are subject to rigorous analysis, validation of business case assumptions and evaluation of expected benefits. Key financial criteria include impact on earnings per share, capital ratios, return on invested capital, expected payback period and internal rate of return based on discounted cash flows.

Regulatory capital and total loss absorbing capacity ratios

The Bank continues to maintain strong, high quality capital levels which position it well for future business growth and opportunities. The CET1 ratio as at October 31, 2024 was 13.1%, an increase of approximately 10 basis points from the prior year. The ratio benefited from internal capital generation, share issuances under the Bank's Shareholder Dividend and Share Purchase Plan, and revaluation gains on FVOCI securities, partly offset by the adoption impacts from the revised Basel III FRTB market and CVA capital requirements, RWA growth and the Bank's initial investment in KeyCorp.

The Bank's Tier 1 capital ratio was 15.0% as at October 31, 2024, an increase of approximately 20 basis points from the prior year, due primarily to the above noted impacts to the CET1 ratio and a U.S. $750 million issuance of Limited Recourse Capital Notes partly offset by a redemption of $300 million of preferred shares.

The Bank's Total capital ratio was 16.7% as at October 31, 2024, a decrease of approximately 50 basis points from 2023, due primarily to redemptions of $3.25 billion of subordinated debentures, partly offset by the issuance of $1 billion of subordinated debentures and the above noted impacts to the Tier 1 capital ratio.

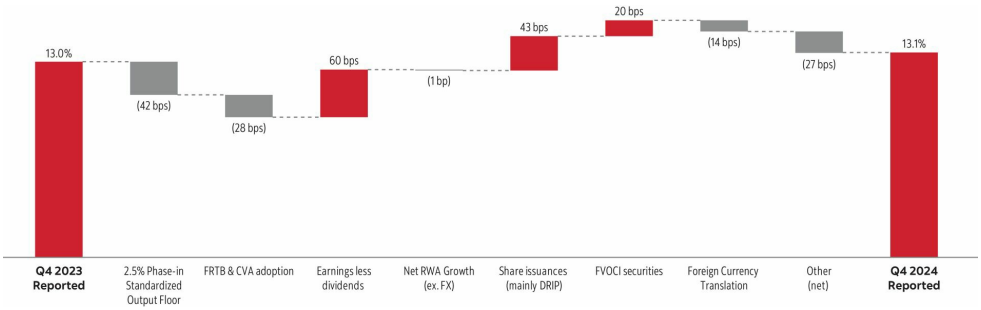
The TLAC ratio was 29.7% as at October 31, 2024, a decrease of approximately 90 basis points from the prior year, primarily from higher RWA.

The Leverage ratio was 4.4% as at October 31, 2024, an increase of 20 basis points from the prior year, due primarily to growth in Tier 1 capital.

The TLAC Leverage ratio was 8.8%, an increase of approximately 20 basis points from 2023, due primarily to higher available TLAC.

The Bank's capital, leverage and TLAC ratios continue to be in excess of OSFI's minimum capital ratio requirements for 2024. In 2025, the Bank will continue to maintain strong capital ratios, continuing to optimize capital deployment in line with its strategic plans while absorbing the impact of the Bank's increased investment in KeyCorp.

C23 Continuity of Common Equity Tier 1 ratio (1)



(1) This measure has been disclosed in this document in accordance with OSFI Guideline – Capital Adequacy Requirements (November 2023).

T29 Regulatory capital(1) and total loss absorbing capacity (TLAC) (2) ratios

As at October 31 ($ millions)	2024	2023
Common Equity Tier 1 capital		
Total Common Equity(3)	**$ 73,590**	$ 68,853
Qualifying non-controlling interest in common equity of subsidiaries	**683**	763
Goodwill and intangibles, net of deferred tax liabilities (4)	**(15,044)**	(15,738)
Threshold related deductions	**–**	–
Net deferred tax assets (excluding those arising from temporary differences)	**(451)**	(231)
Other Common Equity Tier 1 capital deductions(5)	**1,853**	3,394
Common Equity Tier 1	**60,631**	57,041
Additional Tier 1 capital		
Preferred shares(6)	**–**	300
Subordinated additional Tier 1 capital notes (NVCC)	**3,249**	3,249
Limited recourse capital notes (NVCC)	**5,530**	4,526
Capital instrument liabilities – trust securities (6)	**–**	–
Other Tier 1 capital adjustments(7)	**89**	107
Net Tier 1 capital	**69,499**	65,223
Tier 2 capital		
Subordinated debentures, net of amortization (6)	**6,190**	8,412
Allowance for credit losses eligible for inclusion in Tier 2 and excess allowance (re: IRB approach)	**1,942**	1,931
Qualifying non-controlling interest in Tier 2 capital of subsidiaries	**77**	85
Tier 2 capital	**8,209**	10,428
Total regulatory capital	**77,708**	75,651
Non-regulatory capital elements of TLAC		
External TLAC instruments	**59,092**	58,001
TLAC deductions and other adjustments	**952**	852
TLAC available after deductions	**137,752**	134,504
Risk-weighted assets ($ billions)(1)		
Credit risk	**398.2**	378.7
Market risk	**14.7**	12.0
Operational risk	**51.1**	49.3
Risk-weighted assets	**$ 464.0**	$ 440.0
Regulatory Capital (1) and TLAC (2) ratios		
Common Equity Tier 1	**13.1%**	13.0%
Tier 1	**15.0%**	14.8%
Total	**16.7%**	17.2%
Total loss absorbing capacity	**29.7%**	30.6%
Leverage(8)		
Leverage exposures	**$ 1,563,140**	$ 1,562,963
Leverage ratio	**4.4%**	4.2%
Total loss absorbing capacity leverage ratio(2)	**8.8%**	8.6%

(1) 2024 regulatory capital ratios are based on Revised Basel III requirements as determined in accordance with OSFI Guideline – Capital Adequacy Requirements (November 2023). Prior year regulatory capital ratios were prepared in accordance with OSFI Guideline – Capital Adequacy Requirements (February 2023).
(2) This measure has been disclosed in this document in accordance with OSFI Guideline – Total Loss Absorbing Capacity (September 2018).
(3) Includes Other Reserves adjusted for regulatory capital purposes.
(4) Reported amounts are based on OSFI's requirements that goodwill relating to investments in associates be classified as goodwill for regulatory reporting purposes.
(5) Other CET1 capital deductions under Basel III include gains/losses due to changes in own credit risk on fair valued liabilities, pension plan assets and other items.
(6) Non-qualifying Tier 1 and Tier 2 capital instruments were subject to a phase-out period until 2022.
(7) Other Tier 1 capital adjustments under Basel III rules include eligible non-controlling interests in subsidiaries.
(8) The leverage ratios are based on Revised Basel III requirements as determined in accordance with OSFI Guideline – Leverage Requirements (February 2023).

T30 Changes in regulatory capital

For the fiscal years ($ millions)	2024	2023
Total capital, beginning of year	**$ 75,651**	$ 70,710
Changes in Common Equity Tier 1		
Net income attributable to common equity holders of the Bank	**7,286**	6,991
Dividends paid to equity holders of the Bank	**(5,198)**	(5,003)
Shares issued	**1,945**	1,402
Shares repurchased/redeemed	**–**	–
Gains/losses due to changes in own credit risk on fair valued liabilities	**723**	1,001
ECL transitional adjustment	**–**	(75)
Movements in accumulated other comprehensive income, excluding cash flow hedges	**(1,577)**	7
Change in non-controlling interest in common equity of subsidiaries	**(80)**	69
Change in goodwill and other intangible assets (net of related tax liability) (1)	**694**	(192)
Other changes including regulatory adjustments below:	**(202)**	(240)
– Deferred tax assets that rely on future profitability (excluding those arising from temporary differences)	**(220)**	(143)
– IFRS 17 impact	**(86)**	–
– Other capital deductions	**85**	(162)
– Other	**19**	65
Changes in Common Equity Tier 1	**$ 3,591**	$ 3,960
Changes in Additional Tier 1 Capital		
Issued	**1,004**	–
Redeemed	**(300)**	–
Other changes including regulatory adjustments and phase-out of non-qualifying instruments	**(20)**	1
Changes in Additional Tier 1 Capital	**$ 684**	$ 1
Changes in Tier 2 Capital		
Issued	**1,000**	1,447
Redeemed	**(3,250)**	–
Allowance for credit losses eligible for inclusion in Tier 2 and Excess Allowance under IRB (2)	**11**	62
Other changes including regulatory adjustments and phase-out of non-qualifying instruments	**21**	(529)
Changes in Tier 2 Capital	**$ (2,218)**	$ 980
Total capital generated (used)	**$ 2,057**	$ 4,941
Total capital, end of year	**$ 77,708**	$ 75,651

(1) Reported amounts are based on OSFI's requirements that goodwill relating to investments in associates be classified as goodwill for regulatory reporting purposes.
(2) Eligible allowances for 2024 and 2023.

Regulatory capital components

The Bank's regulatory capital is divided into three components – CET1, Additional Tier 1 capital and Tier 2 capital, depending on their degree of permanency and loss absorbency. All components of capital provide support for banking operations and protect depositors.

CET1 consists primarily of common shareholders' equity, regulatory derived non-controlling interest capital, and prescribed regulatory adjustments or deductions. These regulatory deductions include goodwill, intangible assets (net of deferred tax liabilities), deferred tax assets that rely on future profitability, defined-benefit pension assets and the shortfall (if any) of the allowance for credit losses to regulatory parameter-based expected losses.

Additional Tier 1 capital consists primarily of qualifying non-cumulative preferred shares, and qualifying other equity instruments (as described in Note 25). Tier 2 capital consists mainly of qualifying subordinated debentures and eligible allowances for credit losses.

The Bank's CET1 capital was $60.6 billion as at October 31, 2024, an increase of approximately $3.6 billion from the prior year due primarily to:

- $2.1 billion growth from internal capital generation, net of dividends paid;
- $1.9 billion from share issuances, mainly from the Bank's Shareholder Dividend and Share Purchase Plan;
- $0.7 billion from changes in the regulatory deduction for own credit risk on fair valued liabilities; and,
- $0.4 billion from lower regulatory deductions and other regulatory adjustments.

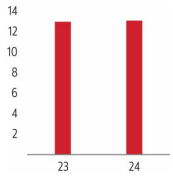
Partly offset by:

- $1.6 billion decrease from movements in Accumulated Other Comprehensive Income, excluding cash flow hedges, primarily from the impact of foreign currency translation, net of changes in the fair values of investment securities.

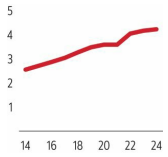
The Bank's Tier 1 capital increased by $4.3 billion to $69.5 billion, primarily due to the above noted impacts to CET1 capital and a USD $750 million issuance of Limited Recourse Capital Notes partly offset by a redemption of $300 million of preferred shares.

Total capital increased by $2.1 billion during the year to $77.7 billion, mainly due to the above noted impacts to CET1 and Tier 1 capital, and the issuance of $1 billion of subordinated debentures, partly offset by redemptions of $3.25 billion of subordinated debentures.

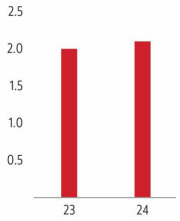
C24 CET1 capital %, as at October 31



C25 Dividend growth dollars per share



C26 Internally generated capital $ billions, for years ended October 31



Dividends

The annual dividend in 2024 was $4.24, an increase of $0.06 from 2023. The Board of Directors approved a quarterly dividend of $1.06 per common share, at its meeting on December 2, 2024. This quarterly dividend applies to shareholders of record at the close of business on January 7, 2025, and is payable January 29, 2025.

T31 Selected capital management activity

For the fiscal years ($ millions)	2024	2023
Dividends		
Common	**$ 5,198**	$ 5,003
Preferred and other equity instruments	**472**	419
Common shares issued[1]	**1,945**	1,402
Common shares repurchased for cancellation under the Normal Course Issuer Bid[2]	**–**	–
Preferred shares and other equity instruments issued	**–**	–
Preferred shares and other equity instruments redeemed	**300**	–
Maturity, redemption and repurchase of subordinated debentures	**3,250**	78

(1) Represents primarily cash received for stock options exercised during the year and common shares issued pursuant to the Shareholder Dividend and Share Purchase Plan.
(2) No buybacks in fiscal 2024.

Normal Course Issuer Bid

The Bank currently does not have an active normal course issuer bid and did not repurchase any common shares pursuant to a normal course issuer bid during the years ended October 31, 2024 and October 31, 2023.

Share data and other capital instruments

The Bank's common and preferred share data, as well as certain other capital instruments, are shown in T32. Further details, including exchangeability features, are discussed in Note 22 and Note 25 of the consolidated financial statements.

T32 Shares and other instruments

As at October 31, 2024	Amount ($ millions)	Dividends declared per share(1)	Number outstanding (000s)	Conversion features
Common shares(2)	$ 22,054	$ 4.24	1,244,436	n/a
NVCC Preferred Shares(3)				
Preferred shares Series 40(4)	–	0.303125	–	–

NVCC Additional Tier 1 Securities(3)(6)	Amount ($ millions)	Distribution(5)	Yield (%)	Number outstanding (000s)
Subordinated Additional Tier 1 Capital Notes(7)	U.S.$ 1,250	U.S.$ 19.3341	7.566	1,250
Subordinated Additional Tier 1 Capital Notes(8)	U.S.$ 1,250	U.S.$ 12.25	4.900	1,250
Limited Recourse Capital Notes Series 1(9)	$ 1,250	$ 9.25	3.700	1,250
Limited Recourse Capital Notes Series 2(10)	U.S.$ 600	U.S.$ 9.0625	3.625	600
Limited Recourse Capital Notes Series 3(11)	$ 1,500	$ 17.5575	7.023	1,500
Limited Recourse Capital Notes Series 4(12)	U.S.$ 750	U.S.$ 21.5625	8.625	750
Limited Recourse Capital Notes Series 5(13)	U.S.$ 750	U.S.$ 20.0000	8.000	750

NVCC Subordinated Debentures(3)	Amount ($ millions)	Interest Rate (%)
Subordinated debentures due December 2025	U.S.$ 1,250	4.500
Subordinated debentures due January 2029(14)	$ –	3.890
Subordinated debentures due July 2029(15)	$ –	2.836
Subordinated debentures due May 2032	$ 1,750	3.934
Subordinated debentures due December 2032	JPY 33,000	1.800
Subordinated debentures due August 2033	$ 1,000	5.679
Subordinated debentures due December 2033	JPY 12,000	1.830
Subordinated debentures due August 2034	$ 1,000	4.959
Subordinated debentures due May 2037	U.S.$ 1,250	4.588

Other	Amount ($ millions)	Distribution(5)	Yield (%)	Number outstanding (000s)
Scotiabank Trust Securities – Series 2006-1 issued by Scotiabank Capital Trust(16a,b)	$ 750	28.25	5.650	750

Options	Number outstanding (000s)
Outstanding options granted under the Stock Option Plans to purchase common shares(2)	11,456

(1) Dividends declared from November 1, 2023 to October 31, 2024.
(2) Dividends on common shares are paid quarterly, if and when declared. As at November 22, 2024, the number of outstanding common shares and options was 1,244,973 thousand and 10,912 thousand, respectively.
(3) These securities contain Non-Viability Contingent Capital (NVCC) provisions necessary to qualify as regulatory capital under Basel III. Refer to Notes 22 and 25 of the consolidated financial statements in the Bank's 2024 Annual Report for further details.
(4) On January 29, 2024, the Bank redeemed all outstanding Non-cumulative Preferred Shares Series 40 at a price equal to $25.00 per share plus dividends declared on November 28, 2023 of $0.303125 per Series 40 share.
(5) Distributions per face amount of $1,000 or U.S.$1,000 semi-annually or quarterly, as applicable.
(6) Quarterly distributions are recorded in each fiscal quarter if and when paid.
(7) In respect of these securities, on June 28, 2023, the Bank announced the interest rate transition from three-month USD LIBOR to three-month Term SOFR, plus a spread adjustment of 26.161 bps, for interest periods commencing on or after July 12, 2023.
(8) Subsequent to the initial five-year fixed rate period ending on June 4, 2025, and resetting every five years thereafter, the distributions, if and when paid, will be determined by the sum of the five-year U.S. Treasury rate plus 4.551%.
(9) Subsequent to the initial five-year fixed rate period ending on July 27, 2026, and resetting every five years thereafter, the distributions will be determined by the sum of the five-year Government of Canada Yield plus 2.761%.
(10) Subsequent to the initial five-year fixed rate period ending on October 27, 2026, and resetting every five years thereafter, the distributions will be determined by the sum of the five-year U.S. Treasury rate plus 2.613%.
(11) Subsequent to the initial five-year fixed rate period ending on July 27, 2027, and resetting every five years thereafter, the distributions, if and when paid, will be determined by the sum of the five-year Government of Canada Yield plus 3.95%.
(12) Subsequent to the initial five-year fixed rate period ending on October 27, 2027, and resetting every five years thereafter, the distributions will be determined by the sum of the five-year U.S. Treasury rate plus 4.389%.
(13) Subsequent to the initial five-year fixed rate period ending on January 27, 2029, and resetting every five years thereafter, the distributions, if and when paid, will be determined by the sum of the five-year U.S. Treasury rate plus 4.017%.
(14) On January 18, 2024, the Bank redeemed all outstanding $1,750 million 3.89% Subordinated Debentures (NVCC) due January 2029, at 100% of their principal amount plus accrued interest.
(15) On July 3, 2024, the Bank redeemed all outstanding $1,500 million 2.836% Subordinated Debentures (NVCC) due July 2029, at 100% of their principal amount plus accrued and unpaid interest.
(16)(a) On September 28, 2006, Scotiabank Capital Trust issued 750,000 Scotiabank Trust Securities – Series 2006-1 (Scotia BaTS II Series 2006-1). The holders of Scotia BaTS II Series 2006-1 are entitled to receive non-cumulative fixed cash distributions payable semi-annually in an amount of $28.25 per security. With regulatory approval, these securities may be redeemed in whole upon the occurrence of certain tax or regulatory capital changes, or in whole or in part on December 30, 2011 and on any distribution date thereafter at the option of Scotiabank Capital Trust. The holder has the right at any time to exchange their security into Non-cumulative Preferred Shares Series S of the Bank. The Series S shares will be entitled to cash dividends payable semi-annually in an amount of $0.4875 per $25.00 share. Refer to Note 25(c) – Restrictions on payment of dividends and retirement of shares. The Scotia BaTS II Series 2006-1 may be automatically exchanged, without the consent of the holder, into Non-cumulative Preferred Shares Series T of the Bank in the following circumstances: (i) proceedings are commenced for the winding-up of the Bank; (ii) the Superintendent takes control of the Bank or its assets; (iii) the Bank has a Tier 1 Capital ratio of less than 5% or a Total Capital ratio of less than 8%; or (iv) the Superintendent has directed the Bank to increase its capital or provide additional liquidity and the Bank elects such automatic exchange or the Bank fails to comply with such direction. The Series T shares will be entitled to non-cumulative cash dividends payable semi-annually in an amount of $0.625 per $25.00 share. If there is an automatic exchange of the Scotia BaTS II Series 2006-1 into Preferred Shares Series T of the Bank, then the Bank would become the sole beneficiary of the Trust.
(16)(b) No cash distributions will be payable on the Scotia BaTS II Series 2006-1 in the event that the regular dividend is not declared on the Bank's preferred shares and, if no preferred shares are outstanding, the Bank's common shares. In such a circumstance the net distributable funds of the Trust will be payable to the Bank as the holder of the residual interest in the Trust. Should the Trust fail to pay the semi-annual distributions on the Scotia BaTS II Series 2006-1 in full, the Bank will not declare dividends, of any kind on any of its preferred or common shares for a specified period of time. Refer to Note 25(c) – Restrictions on payment of dividends and retirement of shares of the consolidated financial statements in the Bank's 2024 Annual Report.

Credit ratings

Credit ratings are one of the factors that impact the Bank's access to capital markets and the terms on which it can conduct derivatives, hedging transactions and borrow funds. The credit ratings and outlook that the rating agencies assign to the Bank are based on their own views and methodologies.

The Bank continues to have strong credit ratings and its deposits and legacy senior debt are rated AA by Fitch Ratings, Aa2 by Moody's, AA by Morningstar DBRS and A+ by Standard and Poor's (S&P). The Bank's bail-inable senior debt is rated AA- by Fitch Ratings, A2 by Moody's, AA (low) by Morningstar DBRS, and A- by S&P. As of October 31, 2024, all such rating agencies have a Stable outlook on the Bank.

Credit ratings are not recommendations to purchase, sell or hold a security and are subject to revision or withdrawal at any time by the rating agency.

Risk-weighted assets

Regulatory capital requirements are based on OSFI's target minimum percentage of risk-weighted assets (RWA). RWA represent the Bank's exposure to credit, market and operational risks and are computed by applying a combination of the OSFI approved Bank's internal risk models and OSFI prescribed risk weights to on and off-balance sheet exposures. In addition, OSFI has adopted the revised Basel III aggregate output floor, which ensures that the Bank's total RWA are not lower than 72.5% of RWA as calculated by the revised Basel III framework's standardized approaches. The output floor has been set at 72.5% with an international phase-in period from 2023 to 2028. For Canadian banks, the floor is presently at 67.5%. As noted above, OSFI has delayed further increases to the floor to 2026 (70%) and 2027 (72.5%).

As at year end, the Bank's RWA of $464.0 billion, represents an increase of approximately $24.0 billion, or 5.5%, from 2023, due primarily to the adoption impacts from the revised Basel III FRTB market and CVA capital requirements, higher RWA from changes in book quality, model updates, and the Bank's initial investment in KeyCorp, partly offset by lower volumes from capital optimization initiatives and the impacts from foreign currency translation.

Credit risk-weighted assets

Credit risk measures the risk that a borrower or counterparty will fail to honour its financial or contractual obligations to the Bank.

The credit risk component consists of on and off-balance sheet claims. The Basel III rules are not applied to traditional balance sheet categories but to categories of on and off-balance sheet exposures which represent general classes of assets or exposure types (e.g. Large Corporate, Mid-size Corporate, Small and Medium Enterprise, Sovereign, Bank, Retail Mortgages, Other Retail, Equity, etc.) based on their different underlying risk characteristics. Generally, while calculating capital requirements, exposure types are analyzed by the following credit risk exposure sub-types: drawn, undrawn, repo-style transactions, over-the-counter (OTC) derivatives, exchange-traded derivatives and other off-balance sheet claims.

Credit risk-weighted assets increased by $19.5 billion to $398.2 billion. The key drivers or components of the change are reflected in Table T33 below.

T33 Flow statement for Basel III credit risk-weighted assets ($ millions)

	2024(1)		2023(1)	
Credit risk-weighted assets movement by key driver ($ millions)	**Credit risk**	**Of which counterparty credit risk**	Credit risk	Of which counterparty credit risk
Credit risk-weighted assets as at beginning of year	**$ 378,670**	**$ 16,276**	$ 401,434	$ 20,217
Book size(2)	**(5,165)**	**246**	(4,121)	(4,081)
Book quality(3)	**17,516**	**662**	2,039	529
Model updates(4)	**6,640**	**635**	–	–
Methodology and policy(5)	**776**	**776**	(29,372)	(677)
Acquisitions and disposals	**2,749**	**–**	(560)	–
Foreign exchange movements	**(3,033)**	**165**	9,250	288
Other	**–**	**–**	–	–
Credit risk-weighted assets as at end of year	**$ 398,153**	**$ 18,760**	$ 378,670	$ 16,276

(1) Regulatory amounts reported in 2024 and 2023 are under Revised Basel III requirements.
(2) Book size is defined as organic changes in book size and composition (including new business and maturing loans).
(3) Book quality is defined as quality of book changes caused by experience such as underlying customer behaviour or demographics, including changes through model calibrations/realignments.
(4) Model updates are defined as model implementation, change in model scope or any change to address model enhancement.
(5) Methodology and policy is defined as methodology changes to the calculations driven by regulatory policy changes, such as new regulation (e.g. Basel III revision).

T34 Internal rating scale (1) and mapping to external rating agencies

Equivalent Rating External Rating – S&P and Fitch	External Rating – Moody's	External Rating – Morningstar DBRS	Grade	IG Code	PD Range(2)
AAA to AA+	Aaa to Aa1	AAA to AA (high)		99-98	0.0000% – 0.0565%
AA to A+	Aa2 to A1	AA to A (high)	Investment	95	0.0565% – 0.0689%
A to A-	A2 to A3	A to A (low)	grade	90	0.0689% – 0.0813%
BBB+	Baa1	BBB (high)		87	0.0813% – 0.1185%
BBB	Baa2	BBB		85	0.1185% – 0.1860%
BBB-	Baa3	BBB (low)		83	0.1860% – 0.2581%
BB+	Ba1	BB (high)		80	0.2581% – 0.3581%
BB	Ba2	BB	Non-Investment	77	0.3581% – 0.6668%
BB-	Ba3	BB (low)	grade	75	0.6668% – 1.3555%
B+	B1	B (high)		73	1.3555% – 2.3298%
B to B-	B2 to B3	B to B (low)		70	2.3298% – 5.7966%
CCC+	Caa1	–		65	5.7966% – 14.9037%
CCC	Caa2	–	Watch list	60	14.9037% – 27.2859%
CCC- to CC	Caa3 to Ca	–		40	27.2859% – 46.7412%
–	–	–		30	46.7412% – 100.0000%
Default			Default	21	100%

(1) Applies to non-retail portfolio.
(2) PD Ranges as at October 31, 2024. The Range does not include the upper boundary for the row.

T35 Non-retail IRB portfolio exposure by internal rating grade (1)

As at October 31 ($ millions)		2024(2)					2023(2)				
Grade	IG Code	Exposure at default ($)(4)	RWA ($)(5)	PD (%)(6)(9)	LGD (%)(7)(9)	RW (%)(8)(9)	Exposure at default ($)(4)	RWA ($)(5)	PD (%)(6)(9)	LGD (%)(7)(9)	RW (%)(8)(9)
	99-98	**157,031**	**1,030**	**–**	**14**	**1**	150,660	648	–	10	–
	95	**67,710**	**11,758**	**0.06**	**34**	**17**	62,953	9,230	0.06	32	15
Investment grade(3)	**90**	**48,113**	**10,146**	**0.07**	**43**	**21**	58,486	10,701	0.07	39	18
	87	**63,699**	**11,320**	**0.09**	**34**	**18**	69,250	11,663	0.08	34	17
	85	**49,920**	**15,343**	**0.16**	**39**	**31**	58,639	15,751	0.13	38	27
	83	**69,342**	**22,379**	**0.22**	**36**	**32**	77,643	23,193	0.18	36	30
	80	**54,770**	**21,985**	**0.30**	**37**	**40**	54,968	19,923	0.25	37	36
	77	**40,729**	**19,244**	**0.42**	**39**	**47**	37,165	15,282	0.35	38	41
Non-Investment grade	**75**	**27,324**	**18,610**	**1.05**	**38**	**68**	26,291	17,142	0.90	39	65
	73	**10,140**	**7,975**	**1.74**	**36**	**79**	10,015	6,547	1.49	32	65
	70	**3,791**	**3,282**	**3.11**	**34**	**87**	3,226	2,988	2.56	39	93
	65	**1,592**	**2,473**	**10.79**	**40**	**155**	1,208	1,685	8.72	38	139
Watch list	**60**	**986**	**1,972**	**20.59**	**40**	**200**	1,225	990	17.02	17	81
	40	**889**	**1,665**	**36.17**	**37**	**187**	202	345	33.33	34	171
	30	**232**	**361**	**60.41**	**43**	**156**	106	168	53.33	37	158
Default(10)	**21**	**1,313**	**3,529**	**100.00**	**42**	**269**	1,009	1,653	100.00	35	164
Total		**597,581**	**153,072**	**0.57**	**31**	**26**	613,046	137,909	0.41	30	22
Government guaranteed residential mortgages		**53,319**	**–**	**–**	**18**	**–**	56,441	–	–	23	–
Total		**650,900**	**153,072**	**0.52**	**30**	**24**	669,487	137,909	0.38	29	21

(1) Excludes securitization exposures.
(2) Regulatory amounts reported in 2024 and 2023 are under Revised Basel III requirements.
(3) Excludes government guaranteed residential mortgages of $53.3 billion ($56.4 billion in 2023).
(4) After credit risk mitigation.
(5) RWA – Risk-Weighted Assets.
(6) PD – Probability of Default.
(7) LGD – Loss Given Default.
(8) RW – Risk Weight.
(9) Exposure at default used as basis for estimated weightings.
(10) Gross defaulted exposures, before any related allowances.

Credit risk-weighted assets – non-retail

The Bank uses the Internal Ratings Based (IRB) approach under revised Basel III to determine minimum regulatory capital requirements for credit risk in its Canadian, U.S. and European credit portfolios, and for a significant portion of its international corporate and commercial portfolios. The remaining credit portfolios are subject to the Standardized approach, which relies on the external credit ratings (e.g. S&P, Morningstar DBRS, Fitch, etc.) of borrowers, if available, or prescribed risk weights for real estate lending to compute regulatory capital for credit risk. For the Bank's Corporate, Bank and Sovereign IRB portfolios, the key risk measures used in the quantification of regulatory capital for credit risk include probability of default (PD), loss given default (LGD) and exposure at default (EAD).

- Probability of default (PD) measures the likelihood that a borrower, with an assigned Internal Grade (IG) rating, will default within a one-year time horizon. IG ratings are a component of the Bank's risk rating system. Each of the Bank's internal borrower IG ratings is mapped to a PD estimate.

- Loss given default (LGD) measures the severity of loss on a facility in the event of a borrower's default. LGD segments are determined based on facility characteristics such as seniority, collateral type, collateral coverage and other structural elements. Each LGD segment is assigned a LGD estimate. LGD is based on the concept of economic loss and is calculated using the present value of repayments, recoveries and related direct and indirect expenses.
- Exposure at default (EAD) measures the expected exposure on a facility at the time of default.

Under the Advanced Internal Ratings Based (AIRB) approach, all three risk measures are estimated using the Bank's historical data, as well as available external benchmarks, and are updated on a regular basis. The historical data used for estimating these risk measures exceeds the minimum five-year AIRB requirement for PD estimates and the minimum seven-year AIRB requirement for LGD and EAD estimates.

Under revised Basel III there are new IRB requirements for internally developed model parameters under AIRB including scope restrictions which limit certain asset classes to only the Foundation Internal Ratings Based (FIRB) approach. For those asset classes (e.g. Large Corporates, Banks, etc.) the FIRB utilizes the Bank's internally modeled PD parameters combined with internationally prescribed LGD and EAD parameters.

Further adjustments, as required under the Basel III Framework and OSFI's requirements set out in its Domestic Implementation Notes, including any input floor requirements, are applied to average estimates obtained from historical data. These adjustments incorporate the regulatory requirements pertaining to:

- Long-run estimation of PD, which requires that PD estimates capture average default experience over a reasonable mix of high-default andlow-default years of the economic cycle;
- Downturn estimation for internally modeled AIRB LGD, which requires that LGD estimates appropriately reflect conditions observed during periods where credit losses are substantially higher than average;
- Downturn estimation for internally modeled AIRB EAD, which requires that EAD estimates appropriately reflect conditions observed during periods of economic downturn; and
- The addition of a margin of conservatism, which is related to the likely range of errors based on the identification and quantification of the various sources of uncertainty inherent in historical estimates.

These risk measures are used in the calculation of regulatory capital requirements based on the Basel framework. The credit quality distribution of the Bank's IRB non-retail portfolio is shown in Table T35. Portfolio average PD, LGD and RW increased marginally year-over-year due to changes in customer ratings and model updates.

The risk measures are subject to a rigorous back-testing framework which uses the Bank's historical data to ensure that they are appropriately calibrated. Based on results obtained from the back-testing process, risk measures are reviewed, re-calibrated and independently validated on at least an annual basis in order to reflect the implications of new data, technical advances and other relevant information.

- As PD estimates represent long-run parameters, back-testing is performed using historical data spanning at least one full economic cycle. Realized PDs are back-tested using pre-defined confidence intervals, and the results are then aggregated to provide an overall assessment of the appropriateness of each PD estimate;
- The back-testing for AIRB LGD and EAD estimates is conducted from both long-run and downturn perspectives, in order to ensure that these estimates are adequately conservative to reflect both long-run and downturn conditions.

Portfolio-level back-testing results, based on a comparison of estimated and realized parameters for the four-quarter period ended at July 31, 2024, are shown in Table T36. During this period the actual experiences of PD, LGD and CCF were materially lower than the estimates as reflected within the risk parameters.

T36 Portfolio-level comparison of estimated and actual non-retail percentages

	Estimated(1)	Actual
Average PD	0.52	0.16
Average LGD	40.23	30.41
Average CCF(2)	51.04	30.86

(1) Estimated parameters are based on portfolio count-weighted averages at Q3/23, whereas actual parameters are based on count-weighted averages of realized parameters during the subsequent four quarters.
(2) Exposure-at-default (EAD) back-testing of the Bank's credit conversion factor (CCF) parameters is performed through Limit Factor (LF) back-testing. EAD is computed using the total limit multiplied by the estimated LF.

Credit risk-weighted assets – Canadian retail

The AIRB approach is used to determine minimum regulatory capital requirements for the retail credit portfolio in Canada. The retail portfolio is comprised of the following Revised Basel-based pools:

- Residential real estate secured exposures mainly consist of conventional and high ratio residential mortgages and all other products opened under the Scotia Total Equity Plan (STEP), such as mortgage loans, credit cards and secured lines of credit;
- Qualifying revolving retail exposures (QRRE) consist of unsecured credit cards and lines of credit, including transactors and revolvers;
- Other retail consists of term loans (secured and unsecured), as well as credit cards and lines of credit which are secured by assets other than real estate or do not meet the QRRE definition.

For the AIRB portfolios, the following models and parameters are estimated, subject to parameter input floors as required by OSFI:

- Probability of Default (PD) is the likelihood that the facility will default within the next 12 months.
- Loss Given Default (LGD) measures the estimated economic loss as a proportion of the defaulted balance.
- Exposure at Default (EAD) is the portion of expected exposures at time of default.

The data observation period used for PD/EAD/LGD estimates meets the five year minimum. Various statistical techniques including predictive modeling and decision trees were used to develop models. The models assign accounts into homogenous segments using internal and external borrower/facility-level credit experience. Every month, exposures are automatically re-rated based on risk and loss characteristics. PD, LGD and EAD estimates are then assigned to each of these segments incorporating the following regulatory requirements:

- PD incorporates the average long run default experience over an economic cycle. This long run average includes a mix of high and low default years.

- LGD is adjusted to appropriately reflect economic downturn conditions.
- EAD may also be adjusted to reflect downturn conditions when PD and EAD are highly correlated.
- Sources of uncertainty are reviewed regularly to ensure uncertainties are identified, quantified and included in calculations so that all parameter estimates reflect appropriate levels of conservatism.

The table below summarizes the credit quality distribution of the Bank's AIRB retail portfolio as at October 31, 2024.

Year-over-year the Bank's AIRB retail portfolio parameters and average risk weights at the total portfolio level remained stable.

T37 Retail AIRB portfolio exposure by PD range (1)

As at October 31 ($ millions)		2024(2)					2023(2)				
Category	PD Range	Exposure at default ($)(1)	RWA ($)(3)	PD (%)(4)(7)	LGD (%)(5)(7)	RW (%)(6)(7)	Exposure at default ($)(1)	RWA ($)(3)	PD (%)(4)(7)	LGD (%)(5)(7)	RW (%)(6)(7)
Exceptionally low(8)	0.0000% – 0.0500%	**145,243**	**3,873**	**0.05**	**22**	**3**	123,755	3,062	0.05	19	2
Very low	0.0501% – 0.1999%	**148,919**	**12,705**	**0.16**	**37**	**9**	145,654	11,202	0.15	39	8
Low	0.2000% – 0.9999%	**79,011**	**22,791**	**0.63**	**43**	**29**	80,470	22,913	0.62	43	28
Medium low	1.0000% – 2.9999%	**25,478**	**15,667**	**2.07**	**57**	**61**	24,230	13,951	1.79	58	58
Medium	3.0000% – 9.9999%	**7,524**	**8,812**	**5.81**	**77**	**117**	7,506	7,502	4.99	66	100
High	10.0000% – 19.9999%	**3,232**	**4,002**	**14.29**	**39**	**124**	1,882	2,890	11.08	70	154
Extremely high	20.0000% – 99.9999%	**2,263**	**3,528**	**43.74**	**50**	**156**	2,363	3,683	34.27	55	156
Default(9)	100%	**975**	**3,030**	**100.00**	**52**	**311**	751	2,879	100.00	61	384
Total		**412,645**	**74,408**	**1.02**	**35**	**18**	386,611	68,082	0.87	36	18

(1) After credit risk mitigation.
(2) Regulatory amounts reported in 2024 and 2023 are under Revised Basel III requirements.
(3) RWA – Risk-Weighted Assets.
(4) PD – Probability of Default.
(5) LGD – Loss Given Default.
(6) RW – Risk Weight.
(7) Exposure at default used as basis for estimated weightings.
(8) OSFI revised the Retail PD floor from 0.03% to 0.05% in 2023, under the Revised Basel III Framework.
(9) Gross defaulted exposures, before any related allowances.

All AIRB models and parameters are monitored on a quarterly basis and independently validated annually by the Global Risk Management group. These models are tested to ensure rank ordering and back testing of parameters is appropriate. Comparison of estimated and actual loss parameters for the period ended July 31, 2024 is shown in Table T38. During this period the actual experience was generally more favourable to the estimates as reflected by the risk parameters; however, for Residential Real Estate Secured exposures, actual PDs are slightly elevated as they reflect the most recent year of defaults while estimated PDs reflect the long run overall portfolio averages.

T38 Estimated and actual loss parameters (1)

($ millions)	Average estimated PD (%)(2)(7)	Actual default rate (%)(2)(5)	Average estimated LGD (%)(3)(7)	Actual LGD (%)(3)(6)	Estimated EAD ($)(4)(7)	Actual EAD ($)(4)(5)
Residential real estate secured						
Residential mortgages						
Insured mortgages(8)	0.45	0.52	–	–	–	–
Uninsured mortgages	0.37	0.40	17.91	8.64	–	–
Secured lines of credit	0.24	0.32	24.26	16.41	193	174
Qualifying revolving retail exposures	1.34	1.07	92.74	87.85	661	584
Other retail	1.92	1.28	67.77	53.60	23	22

(1) Estimates and actual values are recalculated to align with new models implemented during the period.
(2) Account weighted aggregation.
(3) Default weighted aggregation.
(4) EAD is estimated for revolving products only.
(5) Actual based on accounts not at default as at four quarters prior to reporting date.
(6) Actual LGD calculated based on 24 month recovery period after default and therefore excludes any recoveries received after the 24 month period.
(7) Estimates are based on the four quarters prior to the reporting date.
(8) Actual and estimated LGD for insured mortgages are not shown. Actual LGD includes the insurance benefit, whereas estimated LGD may not.

Credit risk-weighted assets – International retail

International retail credit portfolios follow the Standardized approach and consist of the following components:

- Residential real estate secured lending; and,
- Other regulatory retail, mainly consisting of term loans and credit card and lines of credit transactors and revolvers.

Under the standardized approach, each of the above components is risk-weighted based on prescribed risk weights, which consider borrower or facility attributes, such as, loan-to-value, transactors vs. revolvers, and drawn vs. undrawn.

Market risk

Market risk is the risk of loss from changes in market prices including interest rates, credit spreads, equity prices, foreign exchange rates, and commodity prices, the correlations between them, and their levels of volatility.

Market Risk – Market Risk-Weighted Assets

Following the implementation of the revised OSFI Capital Adequacy Requirements in Q1 2024, VaR, Stressed VaR (sVaR) and the Incremental Risk Charge (IRC) are no longer components of market risk capital. The Bank now calculates market risk capital based on the Standardized Approach under the new Fundamental Review of the Trading Book (FRTB) framework. Prior periods have not been restated to conform to the new FRTB requirements.

Below are the market risk requirements as at October 31, 2024 and 2023:

T39 Total market risk capital(1)(2)

($ millions)	2024	2023
General interest rate risk	**$ 80**	
Equity risk	**145**	
Commodity risk	**90**	
Foreign exchange risk	**42**	
Credit spread risk	**371**	
Default risk	**400**	
Residual risk add-on	**49**	
All-Bank VaR		$ 141
All-Bank stressed VaR		390
Incremental risk charge		315
Standardized approach		117
Total market risk capital	**$ 1,177**	$ 963

(1) Commencing Q1 2024, the Bank has moved to a fully standardized approach for calculating market risk capital.
(2) Equates to $14,710 of market risk-weighted assets (2023 – $12,040).

T40 Risk-weighted assets movement by key drivers

	Market risk	
	2024	2023
RWA as at beginning of the year	**$ 12,040**	$ 10,820
Movement in risk levels (1)	**(1,184)**	1,208
Model updates(2)	**–**	12
Methodology and policy(3)	**3,854**	–
Acquisitions and divestitures	**–**	–
RWA as at end of the year	**$ 14,710**	$ 12,040

(1) Movement in risk levels are defined as changes in risk due to position changes and market movements. Foreign exchange movements are embedded within Movement in risk levels.
(2) Model updates are defined as updates to the model to reflect recent experience, change in model scope.
(3) Methodology and policy is defined as methodology changes to the calculations driven by regulatory policy changes, such as new regulations (e.g. Revised Basel III), including regulatory interpretation.

Market risk-weighted assets increased by $2.7 billion to $14.7 billion, as shown in the table above. This was primarily due to higher market risk-weighted assets under the new market risk capital rules, offset by changes in risk levels.

Market Risk – CVA Risk-Weighted Assets

Credit Valuation Adjustment (CVA) is the adjustment to the risk free mark-to-market value of transactions to account for the potential default of a counterparty. CVA risk is the risk of loss arising from changing CVA values in response to changes in counterparty credit spreads and market risk factors.

Following the implementation of the revised OSFI Capital Adequacy Requirements (CAR) in Q1 2024, the Bank applies primarily the standardized approach(SA-CVA) for calculating CVA capital as approved by OSFI, and for netting sets carved out from SA-CVA, the basic approach (BA-CVA). CVA capital covers derivatives; SFT positions which are not fair valued for accounting purposes are excluded from CVA Capital.

Operational risk

Operational risk is the risk of loss, whether direct or indirect, to which the Bank is exposed due to external events, human error, or the inadequacy or failure of processes, procedures, systems or controls.

Consistent with OSFI's adoption of the revised Basel III reforms, the Bank applies the Standardized Approach (SA) for calculating operational risk capital requirements. Under the SA, operational risk capital is determined based on the existing gross income approach further supplemented by a scalar or internal loss multiplier (ILM) that recognizes the Bank's operational risk loss experience.

Operational risk-weighted assets increased by $1.8 billion during the year to $51.1 billion, due primarily to growth in the Bank's gross income and an increase to the Bank's ILM.

Internal capital

The Bank utilizes economic capital methodologies and measures to calculate internal capital. Internal capital is a measure of the unexpected losses inherent in the Bank's business activities. The calculation of internal capital relies on models that are subject to independent vetting and validation as required by the Bank's Model Risk Management Policy.

Management assesses its risk profile to determine those risks for which the Bank should attribute internal capital. The major risk categories included in internal capital are:

- Credit risk covers derivatives, repo-style transactions, securitizations, corporate and commercial loans and retail products. The measurement of internal capital mainly leverages the Bank's internal credit risk ratings and a Monte-Carlo simulation model calibrated based on the Bank's actual experience in probabilities of default, exposures at default, expected severity of loss in the event of default, concentration and diversification.

- Market risk for internal capital incorporates the higher of: a Market Risk VaR calibrated to a higher 99.95% confidence interval, and regulatory capital components under the new standardized approaches. For the banking book, structural interest rate and foreign exchange risks leverage a modelled approach based on Economic Value of Equity (EVE) sensitivities.
- Operational risk for internal capital is calculated based on an approach consistent with the Bank's regulatory capital requirements including a conservative forward-looking view of gross income.
- Other risks include additional risks for which internal capital is attributed, such as business risk, significant investments, insurance risk and real estate risk.

In addition, the Bank's measure of internal capital includes a diversification benefit which recognizes that all of the above risks will not occur simultaneously. The Bank also includes the full amount of goodwill and intangible assets in the internal capital amount.

For further discussion on risk management and details on credit, market and operational risks, refer to the Risk Management section.

Off-Balance Sheet Arrangements

In the normal course of business, the Bank enters into contractual arrangements that are either consolidated or not required to be consolidated in its financial statements but could have a current or future impact on the Bank's financial performance or financial condition. These arrangements can be classified into the following categories: structured entities, securitizations, guarantees and other commitments.

Structured entities

Structured entities are designed to accomplish certain well-defined objectives and for which voting or similar rights are not the dominant factor in deciding who controls the entity. The Bank may become involved with structured entities either at the formation stage or at a later date. The Bank controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Bank's arrangements with structured entities include:

- Structured entities that are used to provide a wide range of services to customers, such as structured entities established to allow clients to securitize their financial assets while facilitating cost-efficient financing, and to provide certain investment opportunities.
- Structured entities that the Bank sponsors and actively manages.

The Bank consolidates all structured entities that it controls which includes a U.S. based multi-seller conduit and certain funding and other vehicles. For many of the structured entities that are used to provide services to customers, the Bank does not guarantee the performance of the structured entities' underlying assets and does not absorb any related losses. For other structured entities, such as securitization and investment vehicles, the Bank may be exposed to credit, market, liquidity, or operational risks. Noteholders of securitizations may also be exposed to these risks. The Bank may earn fees based on the nature of its association with a structured entity.

Unconsolidated structured entities

There are two primary types of association the Bank has with unconsolidated structured entities:

- Canadian multi-seller conduits administered by the Bank; and
- Structured finance entities.

The Bank earned total fees of $73 million in 2024 (October 31, 2023 – $51 million) from certain structured entities in which it had a significant interest at the end of the year but did not consolidate. More information with respect to the Bank's involvement with these unconsolidated structured entities, including details of liquidity facilities and maximum loss exposure by category is provided below and in Note 16(b) to the consolidated financial statements.

Canadian multi-seller conduits administered by the Bank

The Bank sponsors two Canadian-based multi-seller conduits that are not consolidated. The Bank earned commercial paper issuance fees, program management fees, liquidity fees and other fees from these multi-seller conduits, which totaled $54 million in 2024, compared to $47 million in 2023. These multi-seller conduits purchase high-quality financial assets and finance these assets through the issuance of highly-rated commercial paper.

As further described below, the Bank's exposure to these off-balance sheet conduits primarily consists of liquidity support and temporary holdings of commercial paper. Although the Bank has power over the relevant activities of the conduits, it has limited exposure to variability in returns, which results in the Bank not consolidating the two Canadian conduits. The Bank has a process to monitor these exposures and significant events impacting the conduits to ensure there is no change in control, which could require the Bank to consolidate the assets and liabilities of the conduits at fair value.

A significant portion of the conduits' assets have been structured to receive credit enhancements from the sellers, including overcollateralization protection and cash reserve accounts. Each asset purchased by the conduits is supported by a backstop liquidity facility provided by the Bank in the form of a liquidity asset purchase agreement (LAPA). The primary purpose of the backstop liquidity facility is to provide an alternative source of financing in the event the conduits are unable to access the commercial paper market. Under the terms of the LAPA, in most cases, the Bank is not obliged to purchase defaulted assets.

The Bank's primary exposure to the Canadian-based conduits is the liquidity support provided, with total liquidity facilities of $7.7 billion as at October 31, 2024 (October 31, 2023 – $7.1 billion). The year-over-year increase was due to normal business operations. As at October 31, 2024, total commercial paper outstanding for the Canadian-based conduits was $6.4 billion (October 31, 2023 – $5.4 billion) and the Bank held 0.1% (October 31, 2023 – 0.2%) of the total commercial paper issued by these conduits. Table T41 presents a summary of assets purchased and held by the Bank's two Canadian multi-seller conduits as at October 31, 2024 and 2023, by underlying exposure.

All of the funded assets have at least an equivalent rating of AA or higher based on the Bank's internal rating program; and assets held in these conduits were investment grade as at October 31, 2024 and 2023.

T41 Assets held by Bank-sponsored Canadian-based multi-seller conduits

As at October 31 ($ millions)	2024 Funded assets	2024 Unfunded commitments	2024 Total exposure(1)	2023 Funded assets	2023 Unfunded commitments	2023 Total exposure(1)
Auto loans/leases	**$ 2,957**	**$ 578**	**$ 3,535**	$ 2,547	$ 591	$ 3,138
Trade receivables	**–**	**459**	**459**	–	459	459
Canadian residential mortgages	**2,643**	**264**	**2,907**	1,966	584	2,550
Equipment leases and rental contracts	**607**	**39**	**646**	700	59	759
Other	**92**	**26**	**118**	78	76	154
Total(2)	**$ 6,299**	**$ 1,366**	**$ 7,665**	$ 5,291	$ 1,769	$ 7,060

(1) Exposure to the Bank is through global-style liquidity facilities.
(2) These assets are substantially sourced from Canada.

Structured finance entities

The Bank has interests in structured finance entities used to assist corporate clients in accessing cost-efficient financing through their securitization structures. The Bank's maximum exposure to loss from structured finance entities was $11,469 million as at October 31, 2024 (October 31, 2023 – $3,296 million). The year-over-year increase was due to normal business operations and new transactions.

The Bank provides senior credit facilities to unaffiliated structured entities that are established by third parties to acquire and/or originate loans for the purposes of issuing collateralized loan obligations (CLOs). These credit facilities benefit from subordinated capital provided by either the collateral manager or third-party investors via subordinated financing, capital injection or asset contribution. Subordinated capital represents the first loss tranche which absorbs losses prior to the Bank's senior exposure. The Bank's broker-dealer affiliate acts as the arranger and placement agent for the CLOs. Proceeds from the sale of the CLOs are used to repay the senior credit facilities. The Bank does not consolidate these entities as it does not have decision making power over their relevant activities, which include the acquisition and/or origination of loans and overall management of the underlying portfolio. The Bank's maximum exposure to loss was $9,743 million as at October 31, 2024 (October 31, 2023 – $1,511 million), relating to credit facilities extended to these entities, of which $4,243 million was funded (October 31, 2023 – $220 million). The increase in the Bank's maximum exposure to loss during the year was driven by the addition of new financing facilities.

Other funding vehicles

These entities are designed to pass the Bank's credit risk to the holders of the securities. Therefore, the Bank does not have exposure or rights to variable returns from these unconsolidated entities.

The Bank uses a funding vehicle to transfer credit exposure on certain loan assets and purchases credit protection against eligible credit events from this vehicle. The vehicle collateralizes its obligation using cash proceeds received through the issuance of guarantee-linked notes. Loan assets are not sold or assigned to the vehicle and remain on the Bank's Consolidated Statement of Financial Position. The total principal balance of guarantee-linked notes issued by this vehicle and outstanding was $1,002 million as at October 31, 2024 (October 31, 2023 – $998 million). These are included in Deposits – Business and government on the Bank's Consolidated Statement of Financial Position.

Other unconsolidated structured entities

The Bank sponsors unconsolidated structured entities including mutual funds, in which it has insignificant or no interest at the reporting date. The Bank is a sponsor when it is significantly involved in the design and formation at inception of the structured entity, and the Bank's name is used by the structured entity to create an awareness of the instruments being backed by the Bank's reputation and obligation. The Bank also considers other factors, such as its continuing involvement and obligations to determine if, in substance, the Bank is a sponsor. For the year ended October 31, 2024, the Bank earned $2,547 million income from its involvement with the unconsolidated Bank-sponsored structured entities, all of which is from Bank-sponsored mutual funds (for the year ended October 31, 2023 – $2,369 million).

Securitizations

The Bank securitizes fully insured residential mortgage loans, originated by the Bank and third parties, through the creation of mortgage-backed securities that are sold to Canada Housing Trust (CHT), Canada Mortgage and Housing Corporation (CMHC) or third-party investors, as an efficient source of financing. The sale of such mortgages does not meet the derecognition requirements where the Bank retains substantially all of the risks and rewards of ownership of the securitized mortgages. The transferred mortgages continue to be recognized on the Consolidated Statement of Financial Position, along with the proceeds from sale treated as secured borrowings. More details have been provided in Note 15 of the consolidated financial statements.

Third-party originated mortgages purchased by the Bank and social housing mortgage pools originated by the Bank that are securitized and sold, qualify for derecognition where the Bank transfers substantially all of the risks and rewards of ownership to third parties. As at October 31, 2024, the outstanding amount of off-balance sheet securitized third-party originated mortgages was $24,837 million (October 31, 2023 – $19,442 million) and off-balance sheet securitized social housing pools was $1,148 million (October 31, 2023 – $766 million).

The Bank securitizes a portion of its Canadian personal and small business credit card receivables (receivables) through Trillium Credit Card Trust II (Trillium), a consolidated Bank-sponsored structured entity. Trillium issues senior and subordinated notes to investors. The proceeds of such issuances are used to purchase co-ownership interests in the receivables originated by the Bank. The sale of such co-ownership interests does not qualify for derecognition and therefore the receivables continue to be recognized on the Bank's Consolidated Statement of Financial Position. Recourse of the noteholders is limited to the purchased co-ownership interests. During the year, $585 million receivables were securitized through Trillium (2023 – $2,412 million).

Guarantees and other commitments

Guarantees and other commitments are fee-based products that the Bank provides to its customers. These products can be categorized as follows:

- Standby letters of credit and letters of guarantee. As at October 31, 2024, these amounted to $63 billion, compared to $48 billion last year. These instruments are issued at the request of a Bank customer to secure the customer's payment or performance obligations to a third party.

- Liquidity facilities. These generally provide an alternate source of funding to asset-backed commercial paper conduits in the event a general market disruption prevents the conduits from issuing commercial paper or, in some cases, when certain specified conditions or performance measures are not met;
- Indemnification contracts. In the ordinary course of business, the Bank enters into many contracts where it may indemnify contract counterparties for certain aspects of its operations that are dependent on other parties' performance, or if certain events occur. The Bank cannot estimate, in all cases, the maximum potential future amount that may be payable, nor the amount of collateral or assets available under recourse provisions that would mitigate any such payments. Historically, the Bank has not made any significant payments under these indemnities;
- Loan commitments. The Bank has commitments to extend credit, subject to specific conditions, which represent undertakings to make credit available in the form of loans or other financings for specific amounts and maturities. As at October 31, 2024, these commitments amounted to $273 billion, compared to $284 billion last year. The lower year-over-year amount is primarily due to a decrease in business activity, partially offset by impact from foreign currency translation.

These guarantees and loan commitments may expose the Bank to credit or liquidity risks, and are subject to the Bank's standard review and approval processes. For the guaranteed products, the dollar amounts represent the maximum risk of loss in the event of a total default by the guaranteed parties, and are stated before any reduction for recoveries under recourse provisions, insurance policies or collateral held or pledged.

Detailed information on guarantees and loan commitments is disclosed in Note 35 in the consolidated financial statements.

Financial Instruments

Given the nature of the Bank's main business activities, financial instruments make up a substantial portion of the Bank's financial position and are integral to the Bank's business. Assets that are financial instruments include cash resources, securities, securities purchased under resale agreements, loans and customers' liability under acceptances. Financial instrument liabilities include deposits, acceptances, obligations related to securities sold under repurchase agreements, obligations related to securities sold short, subordinated debentures and capital instrument liabilities. In addition, the Bank uses derivative financial instruments for both trading and hedging purposes.

Financial instruments are generally carried at fair value, except for non-trading loans and receivables, certain securities and most financial liabilities, which are carried at amortized cost unless designated as fair value through profit and loss at inception.

Unrealized gains and losses on the following items are recorded in other comprehensive income (OCI):

- debt instruments measured at fair value through OCI,
- equity instruments measured at fair value through OCI,
- derivatives designated as cash flow hedges, and
- financial instruments designated as net investment hedges.

Gains and losses on derecognition of debt instruments at FVOCI are reclassified from OCI to the Consolidated Statement of Income under non-interest income. Gains and losses on derecognition of equity instruments designated at FVOCI are not reclassified from OCI to the Consolidated Statement of Income. Gains and losses on cash flow hedges and net investment hedges are recorded in the Consolidated Statement of Income when the hedged item affects income.

The Bank's accounting policies for derivatives and hedging activities are further described in Note 3 to the consolidated financial statements.

Interest income and expense on non-trading interest-bearing financial instruments are recorded in the Consolidated Statement of Income as part of net interest income. Credit losses related to loans are recorded in the provision for credit losses in the Consolidated Statement of Income. Interest income and expense, as well as gains and losses, on trading securities and trading loans are recorded in non-interest income – trading revenues.

Several risks arise from transacting financial instruments, including credit risk, liquidity risk, operational risk and market risk. The Bank manages these risks using extensive risk management policies and practices, including various Board-approved risk management limits.

A discussion of the Bank's risk management policies and practices can be found in the Risk Management section on pages 72 to 110. In addition, Note 36 to the consolidated financial statements presents the Bank's exposure to credit risk, liquidity risk and market risks arising from financial instruments as well as the Bank's corresponding risk management policies and procedures.

There are various measures that reflect the level of risk associated with the Bank's portfolio of financial instruments. For example, the interest rate risk arising from the Bank's financial instruments can be estimated by calculating the impact of a 100 basis point increase or decrease in interest rates on annual income, and the economic value of shareholders' equity, as described on page 93. For trading activities, Table T51 discloses the average one-day Value at Risk by risk factor. For derivatives, based on the maturity profile of the notional amount of the Bank's derivative financial instruments, only 19% (2023 – 20%) had a term to maturity greater than five years.

Note 11 to the consolidated financial statements provides details about derivatives used in trading and hedging activities, including notional amounts, remaining term to maturity, credit risk and fair values.

The fair value of the Bank's financial instruments is provided in Note 8 to the consolidated financial statements along with a description of how these amounts were determined.

The fair value of the Bank's financial instruments was unfavourable when compared to their carrying value by $1.4 billion as at October 31, 2024 (October 31, 2023 – unfavourable $4.2 billion). This difference relates mainly to loan assets, debt investment securities measured at amortized cost, deposit liabilities, subordinated debentures and other liabilities. These changes are primarily driven by movements in interest rates and by volume changes. Fair value estimates are based on market conditions as at October 31, 2024, and may not be reflective of future fair values. Further information on how fair values are estimated is contained in the section on critical accounting policies and estimates.

Disclosures specific to certain financial instruments designated at fair value through profit and loss can be found in Note 10 to the consolidated financial statements. These designations were made primarily to significantly reduce accounting mismatches.

Selected Credit Instruments – Publicly Known Risk Items

Mortgage-backed securities

Total mortgage-backed securities held in the Non-trading and Trading portfolios are shown in Table T42.

T42 Mortgage-backed securities

	2024		2023	
As at October 31 Carrying value ($ millions)	**Non-trading portfolio(1)**	**Trading portfolio**	Non-trading portfolio(1)	Trading portfolio
Canadian NHA mortgage-backed securities(2)	**$ 8,578**	**$ 2,381**	$ 7,103	$ 2,671
Canadian residential mortgage-backed securities	**–**	**–**	–	4
U.S. Agency mortgage-backed securities(3)	**25,223**	**–**	23,751	–
Total	**$ 33,801**	**$ 2,381**	$ 30,854	$ 2,675

(1) The balances are comprised of securities under the amortized cost and FVOCI measurement categories.
(2) Canada Mortgage and Housing Corporation is a corporation of the Government of Canada that provides a guarantee of timely payment to NHA mortgage-backed security investors.
(3) The Government National Mortgage Association (Ginnie Mae) is a U.S. Government corporation that provides a guarantee of timely payment to U.S. Agency mortgage-backed security investors.

Other

As at October 31, 2024, the Bank has insignificant exposure to highly leveraged loans awaiting syndication, auction-rate securities,Alt-A type loans, monoline insurance and investments in structured investment vehicles.

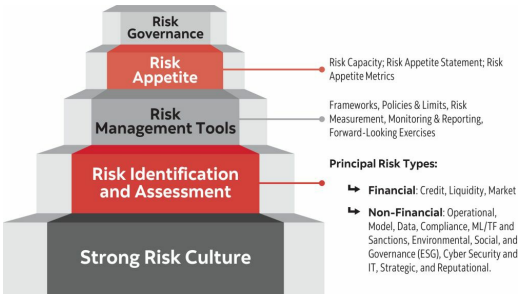
Risk Management

Effective risk management is fundamental to the success and resilience of the Bank and is recognized as key in the Bank's overall approach to strategy management. Scotiabank has a strong, disciplined risk culture where managing risk is a responsibility shared by all of the Bank's employees.

Risk Management Framework

The primary goals of risk management are to ensure that the outcomes of risk-taking activities are consistent with the Bank's values, strategies and risk appetite, and that there is an appropriate balance between risk and reward to maximize shareholder value. Scotiabank's Enterprise-Wide Risk Management Framework articulates the foundation for achieving these goals.

The Enterprise-Wide Risk Management Framework is subject to routine review to keep pace with evolving risks and requirements of the global markets in which the Bank operates, including regulatory standards and industry best practices. The Framework is designed to identify, assess, and mitigate threats and vulnerabilities to which the Bank is exposed and serve to enhance its overall financial and operational resilience. The risk management programs of the Bank's subsidiaries align in all material respects to the Bank's risk management framework, although the actual execution of their programs may be different.



The Bank's risk management framework is applied on an enterprise-wide basis and consists of five key elements:

- Risk Governance
- Risk Appetite
- Risk Management Tools
- Risk Identification and Assessment
- Risk Culture

Risk Management Principles

Risk-taking and risk management activities across the enterprise are guided by the following principles:

Balancing Risk and Reward – business and risk decisions are consistent with strategies and risk appetite.

Understand the Risks – all material risks to which the Bank is exposed, including both financial and non-financial, are identified and managed.

Forward Thinking – emerging risks and potential vulnerabilities are proactively identified and managed.

Shared Accountability – every employee is responsible for managing risk.

Client Focus – understanding our clients and their needs is essential to all business and risk decision-making.

Protect our Brand – all risk-taking activities must be in line with the Bank's risk appetite, our Scotiabank Code of Conduct (our Code), values and behaviours and policy principles.

Controls – maintaining a robust and resilient control environment to protect our stakeholders.

Resilience – being prepared operationally and financially to respond to adverse events.

Compensation – performance and compensation structures reinforce the Bank's values and desired behaviours and promote sound risk taking behaviour taking into account the compensation-related regulatory environment.

Financial and Operational Resilience

Financial resilience reflects the Bank's ability to withstand financial stress. Capital and liquidity management are fundamental to financial resilience as they ensure the Bank can absorb shocks and meet its obligations during periods of stress.

The Bank defines operational resilience as the ability to effectively prepare for, respond to, and recover from operational disruptions to the provision of services that have the potential to cause intolerable harm to clients, or threaten the viability of the Bank, or cause instability to the financial system. This could in turn impact the Bank's financial resilience and its ability to meet obligations during periods of stress. Effective enterprise risk management requires an understanding of how risk types are interconnected which in turn supports financial and operational resilience.

Identifying and prioritizing critical operations, assessing the potential impact of disruptions, and developing plans and capabilities to prevent, respond, and recover from them is a key aspect of operational resilience. Criticality refers to the level of importance an asset, such as processes, technology, third parties, people, data, and facilities, holds for the Bank's operations, financial stability, and reputation. Critical assets are those that, if compromised, disrupted, or destroyed, would significantly harm client and employees, jeopardize the Bank's viability, cause instability to the financial system, or materially impair the Bank's strategy, performance, or its continuing compliance obligations.

Risk Governance

Effective risk management begins with effective risk governance.

The Bank has a well-established risk governance structure, with an active and engaged Board of Directors supported by an experienced executive management team. Decision-making is highly centralized through several executive and senior risk management committees.

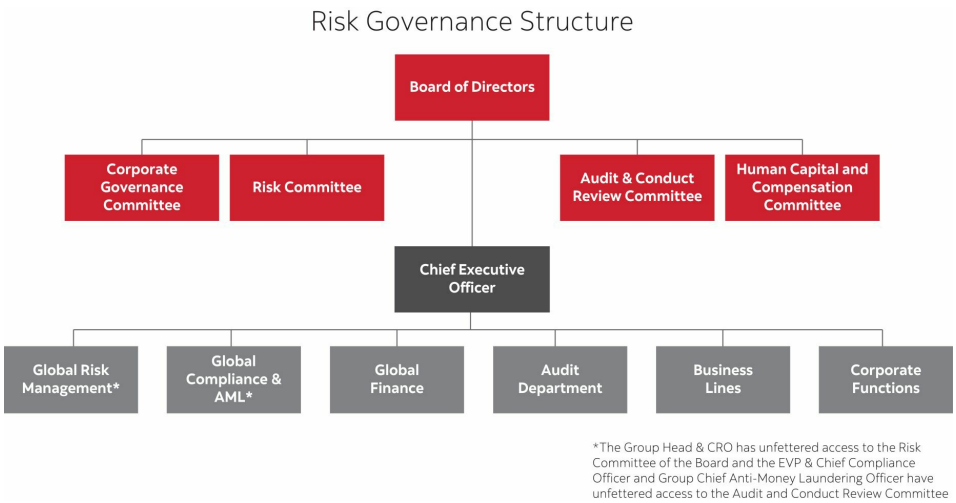
The Bank's risk management framework is predicated on the three lines of defence model. Within this model:



Governance Structure

The Bank's Board of Directors and its Committees provide oversight and governance over the Bank's risk management program which is supported by the President and Chief Executive Officer and Chief Risk Officer.

The Risk Governance Structure of the Bank is set out below.



Board of Directors: as the top of the Bank's risk management governance structure, provides oversight, either directly or through its committees, to satisfy itself that decision making is aligned with the Bank's strategies and risk appetite. The Board receives regular updates on the key risks of the Bank – including a quarterly comprehensive summary of the Bank's risk profile and performance of the portfolio against defined limits – and approves key risk policies, frameworks, and limits.

Corporate Governance Committee of the Board: acts in an advisory capacity to the Board to enhance the Bank's corporate governance through a continuing assessment of the Bank's approach to corporate governance and makes policy recommendations in support of the Bank's purpose, culture and strategy, including its ESG strategy.

Risk Committee of the Board: assists the Board in fulfilling its responsibilities for the review of the Bank's risk appetite and identifying and monitoring key financial and non-financial risks and the oversight of the promotion and maintenance of a strong risk culture throughout the Bank. The Committee assists the Board by providing oversight of the risk management function at the Bank. This includes periodically reviewing and approving the Bank's key risk management policies, frameworks and limits and satisfying itself that management is operating within the Bank's Enterprise Risk Appetite Framework. The Committee oversees the Bank's environmental, social, and governance (ESG) risks, including climate change risk. The Committee also oversees the independence of Global Risk Management, including the effectiveness of the head of this function, as well as the function itself.

Audit and Conduct Review Committee of the Board: assists the Board by providing oversight on the effectiveness of the Bank's system of internal controls. The Committee oversees the integrity of the Bank's consolidated financial statements and related quarterly results. This includes oversight of climate-change related disclosure as part of the Bank's financial reporting of ESG matters as well as the external auditor's qualifications, independence and performance. This Committee assists the Board in fulfilling its oversight responsibilities for setting standards of conduct and ethical behaviour, the oversight of conduct reviews, risk culture and conduct risk, and the oversight of compliance with the consumer protection provisions. The Committee also oversees the Bank's compliance with legal and regulatory requirements (including anti-money laundering (AML), anti-terrorist financing (ATF) and sanctions), and oversees the Global Finance, Global Compliance & AML and Audit Department functions at the Bank. The Committee also oversees the independence of each of these control functions, including the effectiveness of the heads of these functions, as well as the functions themselves.

Human Capital and Compensation Committee of the Board: in conjunction with the Risk Committee of the Board, satisfies itself that adequate procedures are in place to identify, assess and manage the risks (including Conduct Risk) associated with the Bank's material compensation programs and that such procedures are consistent with the Bank's risk management programs. The Committee has further responsibilities relating to talent management, succession planning and total rewards.

President and Chief Executive Officer (CEO): reports directly to the Board and is responsible for defining, communicating and implementing the strategic direction, goals and core values for Scotiabank that maximize long term shareholder value and returns, and meeting the needs of the Bank's other key stakeholders. The CEO oversees the establishment of the Bank's risk appetite, in collaboration with the CRO and CFO, which is consistent with the Bank's short- and long-term strategy, business and capital plans, as well as compensation programs.

Global Risk Management (GRM): is an independent second line of defence that provides oversight of enterprise-wide risk management and is led by the Group Head & Chief Risk Officer. The CRO reports jointly to the CEO and the Risk Committee of the Board and has unfettered access to the Risk Committee of the Board to ensure independence of the function. As a senior member of the Bank's executive management team, the CRO participates in strategic decisions related to where and how the Bank will deploy its various sources of capital to meet the performance targets of the business lines. GRM is responsible for providing effective challenge and reasonable assurance to executive management, the Board of Directors and shareholders that risks are actively identified, managed and communicated to all key stakeholders. GRM's accountability is to ensure that the outcomes of risk-taking activities optimize and protect long-term value by using insight and partnership to drive business impact and safeguard trust.

Global Compliance & AML: is an independent second line of defence that is responsible for managing Compliance Risk and ML/TF & Sanctions Risk and is led by the EVP & Chief Compliance Officer. Global Compliance provides effective challenge and oversight to business lines and corporate functions assessing the adequacy of adherence to and effectiveness of the Bank's day-to-day compliance controls, and for opining to the Board on whether, based on the independent monitoring and testing conducted, the controls are sufficiently robust to achieve compliance with the applicable regulatory requirements. It also provides oversight and effective challenge to the Bank's management of bribery and corruption risk. This group is responsible for maintaining the AML/ATF and Sanctions program which is designed to comply in all material respects with the regulation of which it is subject, and to protect the Bank from being used to launder illicit funds, finance terrorism, violate or evade sanctions. This group also develops AML/ATF and Sanctions policies and control standards to effectively manage money laundering, terrorist financing, and sanctions risks and provides risk-based independent oversight risk assessment and effective challenge to the first line of defence.

Global Finance: is led by the Group Head & Chief Financial Officer (CFO) and is responsible for setting enterprise-wide financial strategies which support the Bank's ability to maximize sustainable shareholder value. Global Finance actively manages the reliable and timely reporting of financial information to management, the Board of Directors, shareholders, regulators, as well as other stakeholders. This reporting includes the Bank's consolidated financial statements and related quarterly and annual results, as well as all financial reporting related regulatory filings. Global Finance executes the Bank's financial, liquidity and capital management strategies with appropriate governance and control, while ensuring its processes are efficient and effective.

Audit Department: reports functionally to the Audit and Conduct Review Committee of the Board on the design and operating effectiveness of the Bank's risk management processes. The mission of the Audit Department is to provide enterprise-wide independent, objective assurance of the Bank's internal controls, risk management and governance processes and to provide consulting services to improve the Bank's operations.

Business Lines: as the first line of defence, own the risks generated by their activities, are accountable for effective management of the risks within their business lines and functions through identifying, assessing, mitigating, monitoring and reporting the risks. Business lines and corporate functions actively design and implement effective internal controls as well as governance activities to manage risk and maintain activities within risk appetite and policies. Further, business lines have processes to be able to effectively identify, assess, monitor and report against allocated risk appetite limits and are in compliance with relevant policies, standards and guidelines. While business lines may rely on Corporate and Support functions to execute certain activities (i.e., technology, procurement, etc.), business lines ultimately maintain accountability for the risks generated by their activities and timely remediation of gaps.

Corporate & Support Functions: refers to the departments that execute activities supporting the overall operations of the organization and/or provide assistance and services to the core business operations. These functions typically include human resources, technology, operations, etc. that play a crucial role in ensuring the smooth functioning of the Bank.

Risk Appetite

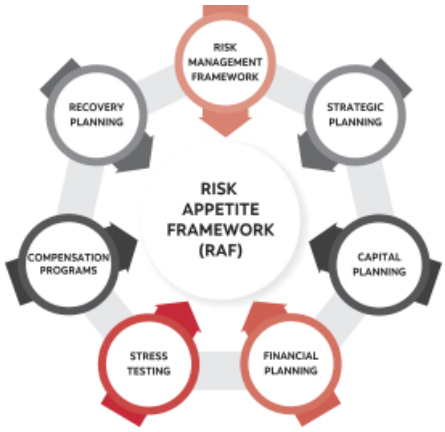
Effective risk management requires clear articulation of the Bank's risk appetite and how the Bank's risk profile will be managed in relation to that appetite.

The Enterprise Risk Appetite Framework ("Enterprise RAF") governs the risk activities undertaken by the Bank on an enterprise-wide basis. It articulates the amount and type of risk the Bank is willing to take to achieve its strategic and financial objectives. A clearly articulated and effectively embedded risk appetite supports a strong risk culture and helps to ensure that the Bank stays within the established risk boundaries, while finding an optimal balance between risk and return.

The Enterprise RAF is incorporated into the Bank's, strategic, capital, and financial planning processes, and compensation programs. Roles and responsibilities for development and implementation of the Enterprise RAF are well defined and are embedded in executive management mandates.

The Enterprise RAF is reviewed annually by senior management who recommend it to the Board for approval.

The Bank's four Business lines each have a standalone Risk Appetite Framework which is aligned with the Bank's Enterprise RAF. The Business Line RAFs are tailored to the operations of the respective business line and include business line specific risk appetite measures.



Risk Appetite Statement

The Bank's Enterprise RAF includes qualitative statements as well as quantitative measures and considers all of the Bank's Principal Risks. Risk appetite metrics help to articulate the Bank's risk appetite in quantitative terms and are critical to ensuring the Bank stays within its established risk appetite on an on-going basis. Risk appetite metrics are supported by management level limit structures and controls, as applicable.

The Bank's Risk Appetite Statement can be summarized as follows:

- The Bank has no appetite for breaches of our Scotiabank Code of Conduct, and consequences applied are commensurate with the severity of the breach. Bank officers and employees are expected to conduct business and interact with others in a legal, compliant, and ethical manner while upholding the Bank's values.
- The Bank favours businesses that generate sustainable, consistent, and predictable earnings over the business cycle.
- The Bank limits its risk-taking activities to those that are well understood and can be managed in line with its risk appetite, risk culture, values, and strategic objectives.
- The Bank strives to maintain a robust and resilient control environment to protect its stakeholders and be prepared operationally and financially to respond to adverse events.
- The Bank has no appetite for reputational, legal, or regulatory risk that would undermine the trust of our stakeholders.
- The Bank has no appetite for its products and services to be used to facilitate money laundering, terrorist financing, or sanctions evasion. The Bank takes appropriate action to prevent, detect, and report such activities to regulators in line with applicable laws and regulations.
- The Bank aims to maintain a strong capital and liquidity position to maintain its reputation as a safe and secure bank.
- The Bank will use a disciplined, enterprise-wide approach to capital allocation to drive sustainable, profitable growth and maximize shareholder returns.

Risk Appetite Metrics

Risk appetite metrics help to articulate the Bank's risk appetite in quantitative terms and are critical to ensuring the Bank stays within its established risk appetite on an on-going basis. Risk appetite metrics are supported by management level limit structures and controls, as applicable.

Other components of Scotiabank's risk appetite metrics:

- Set risk capacity and appetite in relation to regulatory constraints
- Use stress testing to provide forward-looking metrics, as applicable
- Minimize earnings volatility
- Limit exposure to operational events that can have an impact on earnings, including regulatory fines
- Ensure reputational risk is top of mind and strategy is being executed within operating parameters

Risk Management Tools

Effective risk management includes tools that are guided by the Bank's Enterprise Risk Appetite Framework and integrated with the Bank's strategies and business planning processes.

Scotiabank's risk management framework is supported by a variety of risk management tools that are used individually and/or jointly to manage enterprise-wide risks. Risk management tools are regularly reviewed and updated to ensure consistency with risk-taking activities, and relevance to the business and financial strategies of the Bank. Enterprise risk management processes should provide a view of the Bank's risks in a comprehensive and integrated manner and need to consider the relationships and interconnectivity of risks across the Bank.

Frameworks, Policies and Limits

Frameworks and Policies

The Bank develops and maintains frameworks and policies to manage risks and establish clear expectations to control bank activities. Frameworks and policies are designed taking into consideration industry best practices, requirements and guidelines of the Office of the Superintendent of Financial Institutions (OSFI), the Bank Act, as well as the requirements and expectations of other regulators in the jurisdictions where the Bank conducts business. They are developed in consultation with various stakeholders across risk management, other control and corporate functions, business lines and the Audit Department. Frameworks and policies are guided by the Bank's risk appetite, governance standards and set the limits and controls within which the Bank and its subsidiaries can operate. Risk frameworks and policies may be supported by standards, procedures, guidelines and manuals. The Bank also provides advice and counsel to its subsidiaries in respect of their local risk frameworks and policies to promote alignment within the Bank.

Limits

Limits govern and control risk-taking activities within the appetite and tolerances established by the Board and executive management. Limits also establish accountability for key tasks in the risk-taking process and establish the level or conditions under which transactions may be approved or executed.

Risk Measurement

The Bank's measurement of risk is a key component of its risk management framework. The measurement methodologies may apply to a group of risks or a single risk type and are supported by an assessment of qualitative risk factors to ensure the level of risks is within the Bank's risk appetite. The Bank utilizes various risk techniques such as: models; stress testing; scenario and sensitivity analysis; and back testing using data with forward-looking projections based on plausible and worst case economic and financial market events; to support its risk measurement activities.

Models

The use of quantitative risk methodologies and models is subject to effective oversight and a strong governance framework which includes the application of sound and experienced judgment. The development, design, independent review and testing, and approval of models are subject to the Model Risk Management Policy.

The Bank employs models for a number of important risk measurement and management processes including: regulatory and internal capital, internal risk management, valuation/pricing and financial reporting, meeting initial margin requirements, business decision-making for risk management, and stress testing.

Forward-Looking Exercises

Stress Testing

Stress testing programs at both the enterprise-wide level and individual risk level allow the Bank to estimate the potential impact on the Bank's performance resulting from significant changes in market conditions, credit environment, liquidity demands, or other risk factors. Enterprise-wide stress testing is also integrated with both the strategic and financial planning processes, as well as financial crisis management planning. The development, approval and on-going review of the Bank's stress testing programs are subject to policy, and the oversight of the Stress & Scenarios Committee (SSC) or other management committees as appropriate. The SSC is also responsible for reviewing and approving stress testing, climate risk, and IFRS 9 related scenarios for implementation and use. Each stress testing program is developed with input from a broad base of stakeholders, and results are integrated into management decision making processes for capital adequacy and/or allocation, funding requirements and strategy, risk appetite setting and limit determinations. The stress testing programs are designed to capture a number of stress scenarios with differing severities and time horizons.

Other stress tests are conducted, as required, at the enterprise-wide level and within specific functional areas to test the decision-making processes of the senior management team and key personnel, by simulating a potential stress scenario. Simulated stress scenarios may include several complexities and disruptions through which senior management are engaged to make certain key decisions. Generally, the objectives of the simulations can include testing (1) the executability of activation protocols, (2) operational readiness, (3) the flexibility of the executive decision-making process, and (4) the process by which actions to be taken are prioritized. The exercises may also be designed to test the applicability and relevance of available data and the timeliness of reporting for decision making under stressed/crisis conditions.

Monitoring and Reporting

The Bank monitors its risk exposures to ensure business activities are operating within approved risk appetite limits, thresholds or guidelines. Metric owners are responsible for regular monitoring, reporting and escalating breaches of early warning thresholds and risk appetite limits or any other deteriorating trends in risk profile to senior management and/or the Board, as appropriate.

Regular risk reporting to senior management and the Board of Directors provides aggregate measures of risk for all products and business lines, across the Bank's global footprint, and are used to ensure compliance with risk appetite, policies, limits, and guidelines. They also provide a clear statement on the types, amounts, and sensitivities of the various risks in the portfolio. Senior management and the Board use this information to understand the Bank's risk profile and the performance of the portfolios. A comprehensive summary of the Bank's risk profile and performance of the portfolios is presented to the Board of Directors on a quarterly basis.

Risk Identification and Assessment

Effective risk management requires a comprehensive process to identify risks and assess their materiality. The Bank defines Risk as the potential impact of deviations from expected outcomes on the Bank's earnings, capital, liquidity, reputation and resilience caused by internal and external vulnerabilities.

To support proper risk identification and assessment the risk areas in the Bank have developed specific risk taxonomies to assist in the management and governance of the various risks impacting the Bank. The risk identification and assessment processes are to comply with the naming conventions set out by the Enterprise Risk Taxonomy for effective data governance and lineage.

Risk identification and assessment are performed on an ongoing basis through the following:

- Transactions – risks, including credit and market exposures, are assessed by the business lines as risk owners with GRM providing review and effective challenge, as applicable
- Monitoring – risks are identified by constantly monitoring and reporting current trends and analysis, top and emerging risks and internal and external significant adverse events impacting the Bank
- New Products and Services – new or significant change to products, services and/or supporting technology are assessed for potential risks through the New Initiatives Risk Assessment Program
- Strategic Investments – investment transactions are thoroughly reviewed for risks and are approved by the Operating Committee with advice and counsel from the Strategic Transactions and Investment Committee who provides direction and guidance on effective allocation and prioritization of resources
- Self Assessments – operational risks through people, processes and systems are periodically self-assessed by the risk owners with the responsible second line of defense providing effective challenge

On an annual basis, the Bank undergoes a Bank-wide risk assessment that identifies the material risks faced by the Bank for the Internal Capital Adequacy Assessment Process (ICAAP) and the determination of internal capital. This process evaluates the risks and determines the pervasiveness of the risk across multiple business lines, the significance of the risk to a specific business line, the likelihood and potential impact of the risk and whether the risk may cause unexpected losses in income and therefore would be mitigated by internal capital. The process also reviews other evolving and emerging risks and includes qualitative considerations such as strategic, economic and ESG risk factors. The identified risks are ascribed a rating of how probable and impactful they may be and are used as an important input in the ICAAP process and the determination of internal capital.

As part of this annual risk assessment process, the Bank's Principal Risks for the year are identified through consultation with various risk owners and/or stakeholders and approved by the Operational Risk Committee and the Risk Management Committee.

Principal Risk Types

The Bank's Principal Risk types are reviewed annually as part of the Assessment of Risks process to determine that they adequately reflect the Bank's risk profile. Principal Risks are defined as:

Those risks which management considers of primary importance: i) having a significant impact or influence on the Bank's primary business and revenue generating activities (Financial Risks) or ii) inherent in the Bank's business and can have significant negative strategic, business, financial and/or reputational consequences (Non-Financial Risks).

Principal Risks are assessed on an annual basis considering, amongst other things, the following factors:

- Potential impact (direct or indirect) on the Bank's financial results, operations, management and strategy
- Effect on the Bank's long-term prospects and ongoing viability
- Regulatory focus and/or social concern
- Short to mid-term macroeconomic and market environment
- Financial and human resources required to manage and monitor the risk
- Establishment of key risk indicators, performance indicators or management limits to monitor and control the risk
- Peer identification and global best practices
- Regular monitoring and reporting to the Board on the risk is warranted

Once a Principal Risk has been identified, governance structures and mechanisms must be in place for that risk:

- Committee governance structures have been established to manage the risk
- Dedicated second line resources are in place providing effective challenge
- Frameworks and supporting policies, procedures and guidelines have been developed and implemented to manage the risk as appropriate
- Risk appetite limits have been established supported by management limits, early warning thresholds and key risk indicators as appropriate for the risk
- Adequate and effective monitoring and reporting has been established to the Board, executive and senior management, including from subsidiaries
- Board and executive management have clear roles and responsibilities in relation to risk identification, assessment, measurement, monitoring and reporting to support effective governance and oversight

Principal Risks are categorized into two main groups:

Financial Risks:

Credit, Liquidity, Market

These are risks that are directly associated with the Bank's primary business and revenue generating activities. The Bank understands these risks well and takes them on to generate sustainable, consistent and predictable earnings. Financial risks are generally quantifiable and are relatively predictable. The Bank has a higher risk appetite for financial risks which are a fundamental part of doing business; but only when they are well understood, within established limits, and meet the desired strategic priorities and risk return profile.

Non-Financial Risks:

Operational, Data, Compliance, Model, Money Laundering / Terrorist Financing and Sanctions, Environmental, Social & Governance (ESG), Cyber Security & Information Technology (IT), Strategic, Reputational
These are risks that are inherent in the Bank's business and can have significant negative strategic, business, financial and/or reputational consequences if not managed properly. In comparison to financial risks, non-financial risks are less predictable and more difficult to define and measure. The Bank has low risk appetite for non-financial risks and mitigates these accordingly.

Significant Adverse Events

The Bank defines a Significant Adverse Event (SAE) as an internally or externally occurring event that has resulted, or may result in, a significant impact on the Bank's financial performance, strategy, reputation, risk appetite, regulatory compliance, or operations. Significant is defined as the relative importance of a matter within the context in which it is being considered, including quantitative and qualitative factors, such as magnitude, nature, effect, relevance, and impact.

Risk Culture

Effective risk management requires a strong, robust, and pervasive risk culture where every Bank employee understands and recognizes their role as a risk manager and is responsible for identifying and managing risks.

The Bank's risk culture is influenced by numerous factors, including the interdependent relationship amongst the Bank's overarching Culture, risk governance structure, risk appetite, strategy, and risk management tools.

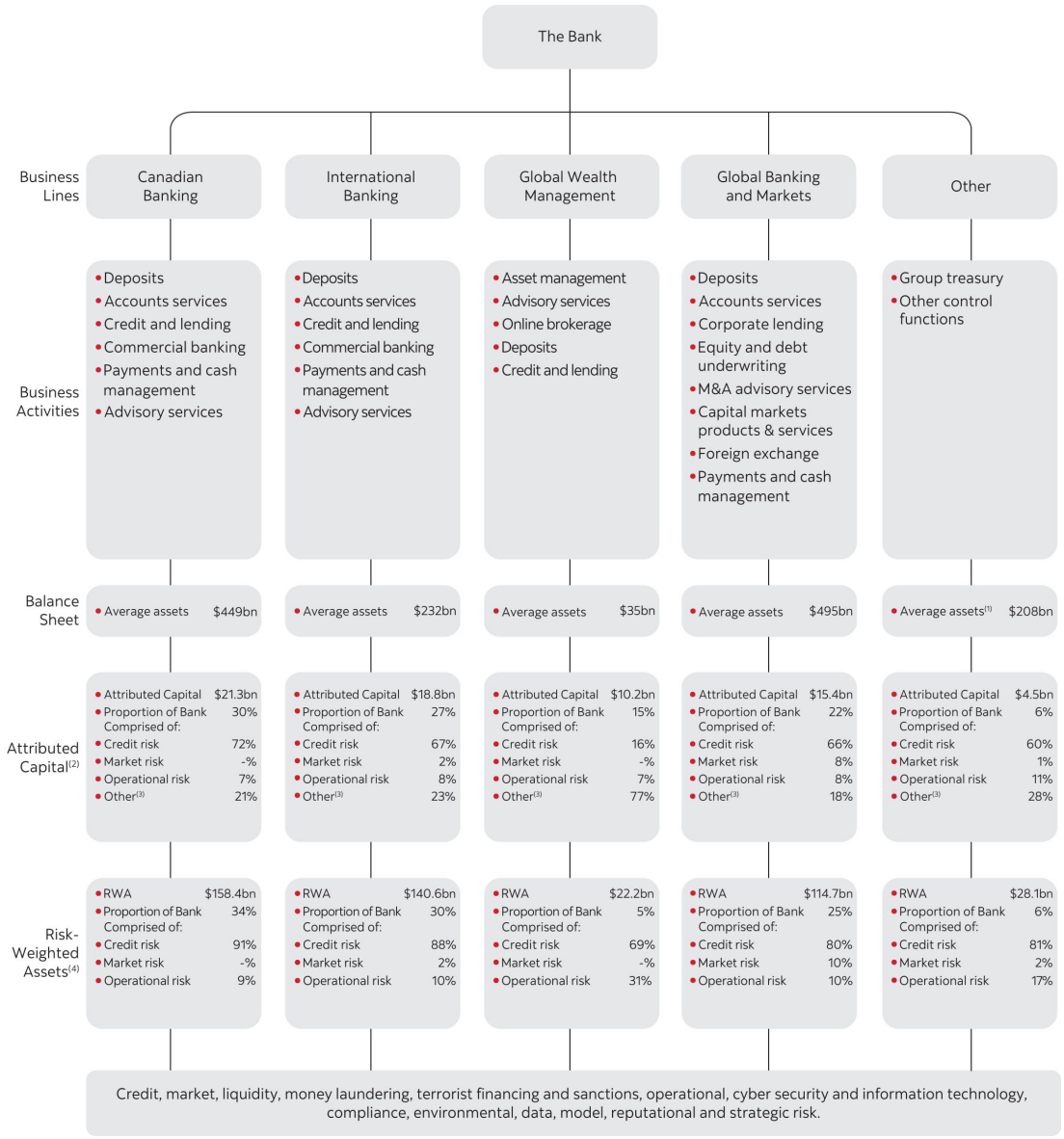
The Bank's Risk Culture program is based on four indicators of a strong risk culture: tone from the top, accountability, risk management and people management. A strong Risk Culture is fostered by an environment that encourages open communication, where employees feel secure to voice concerns, and we build trust by actively listening and seeking to understand diverse perspectives. It promotes behaviours that align to the Bank's Culture, values and desired behaviours and enables employees to identify risk taking activities that are beyond the established risk appetite.



Other elements that influence and support the Bank's risk culture:

- Scotiabank Code of Conduct (our "Code"): describes standards of conduct required of Employees, Contingent Workers, Directors and officers of the Bank. All Scotiabankers are required to receive, read and comply with our Code, and any other applicable Scotiabank policies and affirm their compliance within the required timeline on an annual basis
- Values: Client-centric – Deliver a differentiated experience that creates value for our clients; Integrity – Make the right decisions for our clients, each other, and our Bank; Inclusion – Value and leverage differences and diverse perspectives; Accountability – Take initiative to sustainably and profitably grow our Bank
- Communication: the Bank actively communicates risk appetite, and how it relates to Scotiabankers, to promote a sound risk culture
- Compensation: programs are structured to comply with compensation-related principles and regulations and discourage behaviours that are not aligned with the Bank's values and our Code and ensure that such behaviours are not rewarded
- Training: risk culture is continually reinforced by providing effective and informative mandatory and non-mandatory training modules for all employees on a variety of risk management topics
- Decision-making on risk issues is highly centralized: the flow of information and transactions to senior and executive committees keeps management well informed of the risks the Bank faces and ensures that transactions and risks are aligned with the Bank's risk appetite
- Employee goals: all employees are assigned an Accountability goal addressing how they execute on their performance goals and operate in alignment with Scotiabank's defined Culture, Values, Behaviours, and in compliance with all policies and procedures
- Executive mandates: all Executives across the Bank have risk management responsibilities within their mandates

T43 Exposure to risks arising from the activities of the Bank's businesses



(1) Average assets for the Other segment include certainnon-earning assets related to the business lines.
(2) Attributed Capital is a combination of regulatory: (i) Risk-based capital and (ii) Leverage capital. Attributed Capital is reported on a quarterly average basis.
(3) Includes Attributed Capital for significant investments, goodwill, intangibles and leverage capital.
(4) Risk-weighted assets (RWA) are as at October 31, 2024 as measured for regulatory purposes in accordance with Revised Basel III.

Top and emerging risks

The Bank is exposed to a variety of top and emerging risks. These risks can potentially affect the Bank's business strategies, financial performance, and reputation. As part of our risk management approach, we monitor our operating environment to identify, assess, review, and manage a broad range of top and emerging risks to undertake appropriate risk mitigation strategies.

Risks are identified using a risk identification system whereby information is gathered and consolidated from a variety of internal and external sources including industry research and peer analysis, Senior Management expertise, and risk reporting from our international operations. The results of this research, in conjunction with internal impact assessments across the Bank's principal risks and other stakeholders, help identify top and emerging risks, which, along with mitigation activities, are summarized and reported to Executives and the Board of Directors on a quarterly basis.

The external risk environment is characterized by an unprecedented rate of change and interconnectivity on a global scale. Emerging risks are becoming less predictable and require a more agile approach to respond quickly to mitigate their impacts. While emerging risks continue to be concentrated in non-financial risks, they have the potential to interact and amplify other risks, including financial ones, in ways that can be difficult to predict.

The Bank's top and emerging risks are as follows:

Evolving Cyber Security Threats

As technology advances, cyber threats continue to evolve in sophistication and scope posing as a top risk to the Bank and/or its third-party service providers. This continues to be a top concern. These threats manifest as attacks on critical functions or infrastructure, including but not limited to, customer facing systems and may result in financial loss, data theft, regulatory consequences, reputational damage or operational disruption to the Bank. The inherent risk of cyber security threats continues to increase as attack surfaces grow with the adoption of new technologies and cloud services. Geopolitical conflicts have increased the severity and frequency of cyber threats and state-sanctioned cyber attacks on critical infrastructure, public facing services and emerging technologies. Advancements in Generative AI and Large Language Models (LLM) create additional attack vectors that enable new forms of fraud or are used to exfiltrate sensitive data and personal identifiable information.

The Bank's overall cyber security and IT program continues to adapt to the evolving and complex cyber threat landscape, and investments in cyber defences, including proactive and adaptive security measures, and IT infrastructure to strengthen its operational resilience. As threat actors look to exploit the weakest link in a system, frequent monitoring of critical suppliers and effective contingency planning helps mitigate the vulnerability to cyber attacks on third parties and safeguards critical assets to ensure business continuity. The Bank also maintains cyber insurance coverage to help mitigate potential losses linked to cyber incidents. The insurance coverage limit is regularly reviewed and evaluated to ensure it meets our needs.

Economic Uncertainty

After a period of elevated interest rates, most central banks have started easing their policy rates, which should support economic activity. However, the lag effects of higher interest rates may increase portfolio impacts, including provisions and delinquencies as clients continue to face higher refinancing costs. Liquidity and market risk uncertainty may result in stricter credit conditions, which can impact business growth, delinquencies, and collateral valuations.

The Bank's strategic shift places focus on allocating capital to more mature, priority markets with an emphasis on lower cost deposits and client primacy that helps reduce credit risk. Frequent monitoring of liquidity, deposit levels, and credit quality will keep the Bank adept in responding to a changing environment and protect against potential impacts of macroeconomic uncertainty. Portfolios are monitored for delinquency trends, and collections measures are being deployed to mitigate potential impacts to the Bank's most vulnerable borrowers.

Impacts from Climate Change Adaptation and Mitigation

Rising costs of climate change and new climate guidelines increase regulatory oversight and stakeholder expectations to demonstrate strong governance in managing climate risks. The increased intensity and frequency of severe weather events highlights the potential impacts of diverse physical risks due to climate change, which include damage to properties and disruptions to operations that can negatively impact profitability. Political uncertainty and changing government priorities could result in step-backs from environmental commitments and slow net-zero investments and client support to mitigate climate risks. Under current laws and evolving climate regulations, which include management of nature-related risks and their impacts, making exaggerated or misleading sustainability claims or "greenwashing", either intentionally or due to data collection and reporting challenges, can create legal and reputational risks. For further details please refer to the ESG Risk section on page 108.

The Bank has several mechanisms to identify, mitigate, and assess potential Bank losses from physical risks. Disaster recovery planning is focused on ensuring uninterrupted operations for localized disasters and weather-related events. The Bank has a public ESG policy that restricts lending to the Oil & Gas industry within the Arctic and for thermal coal mining or coal power generation. In fiscal 2024 the Bank also introduced additional exclusionary policies related to lending in UNESCO World Heritage sites and RAMSAR wetlands. The bank continues to support clients as they transition to net-zero, and has set emissions reduction targets by 2030 in Oil and Gas, Power and Utilities, and Automotive Manufacturing sectors as outlined in the Bank's 2024 Climate Report.

Economic Impacts of Geopolitical Tensions

The potential for political miscalculations and conflict escalations remains a key concern. Geopolitical uncertainty and a fracturing global economy, including a new U.S. administration, growing U.S.-China tensions, the continuing war in Ukraine, and ongoing conflicts in the Middle East, could add complexity to the geopolitical environment and pose fresh threats to the global economy by disrupting supply chains and increasing commodity prices. Trade disputes challenge the globalized economy, prompting some governments to promote manufacturing diversification among 'allies' for resource, technology, and product security. Though such measures seek to mitigate the economic impacts of geopolitical risk, such policies may raise costs and inefficiencies in capital deployment and allocation.

The Bank seeks to grow and do business in countries that have a track record of economic growth and institutional stability. The Bank monitors geopolitical developments through various pillars and threat intelligence coordination, and monitors regions with geopolitical conflicts to ensure sanctions related controls continue to be fully compliant with evolving laws. The Bank's stress testing programs help evaluate the potential impacts of severe economic scenarios, and the Bank can draw from its extensive experience operating in emerging markets across the globe to manage volatility, and right scaling exposure when necessary. The Bank's strong and varied client base, robust liquidity levels and diversified funding programs help manage disruptions or market dislocations.

Increased Regulatory Obligations and Government Policy Uncertainty

As a global financial institution, the Bank operates under various legal and regulatory frameworks that affect its businesses. The increasing volume, complexity, and pace of regulatory obligations, combined with changing government policies across the Bank's footprint is competing for limited resources and is a challenge when balancing compliance with innovation amidst growing competition in the non-regulated financial industry. The Bank strives to monitor and evaluate the emerging regulatory developments and to implement the necessary changes to ensure compliance. However, any inadvertent non-compliance may expose the Bank to fines, penalties, litigation, regulatory sanctions, enforcement actions and restrictions or prohibitions on its business activities. These consequences may adversely affect the Bank's financial performance, its business strategy execution and its reputation.

The Bank continues to monitor changes in regulatory guidance from regulators and to assess the impact of new regulations and increasing scrutiny across its operating footprint. It continues to coordinate examinations as part of its compliance program and work with peers to promote consistent guidance and requirements across jurisdictions.

To meet increasing regulatory obligations the Bank is investing in infrastructure to addresses immediate challenges while building resilience for the years ahead, supported by a robust funding model and risk culture with the appropriate regulatory talent. For additional information on some of the key regulatory developments that potentially impact the Bank's operations, see "Regulatory Developments" on page 116.

Resilience to Third Party Risks

The Bank continues to rely on third parties for the delivery of some critical services. The growing concentration of dominant third and nth parties for the delivery of these critical services, combined with attempts to keep up with technological advancements in a volatile macroeconomic and geopolitical environment, requires oversight and monitoring of complex third- and nth-party arrangements, and increases regulatory, operational, data and cyber risk for service providers. Using third-party service providers increases the risk of attacks, breaches, or disruptions due to the Bank's reduced oversight and control over their technology and security. This can interrupt critical functions or infrastructure, including but not limited to, customer facing systems and may result in financial loss, data theft, regulatory consequences, reputational damage or operational disruption to the Bank. Resiliency and preparedness for third party disruptions, including contingency planning and identification of alternative vendors, is an area of increasing focus as individual banks are expected to coordinate and manage the systemic risks associated with critical third parties notwithstanding disparate regulations.

The Bank aims to be "Resilient by Design" and has established an operational resilience program to support engagements with third party service providers, including defining critical suppliers, enhancing continuous monitoring and developing vendor disruption strategies. The Bank continues to invest in enhancing its governance of third parties, resourcing capabilities, and technology to ensure it manages third party risk prudently.

Increased Fraud Threats

Fraud risk arises from numerous sources, both internal and external, including service providers to the Bank and its customers. The Bank, and industry as a whole, continues to be exposed to the threat of increasing fraud given the uncertain economic climate, rapid digitization, and the adoption of new technologies. Despite the Bank's investments in fraud prevention and detection programs, capabilities, measures and defences, it may not successfully mitigate against all fraudulent activity which could result in financial loss, reputational damage or operational disruptions in the Bank's businesses.

The Bank is continuously enhancing its fraud oversight functions and governance structures to ensure a coordinated response to fraud attacks and to support future business growth in line with its strategy.

Reliance on Data and Models in Decision Making

The increasing role of models and data in decision making processes and operations, potential for bias, and increasing sensitivities and concerns on appropriate use of data in the decision-making process, can all result in reputational risk. Models leveraging data with poor quality can increase the likelihood of incorrect conclusions and inaccurate insights hindering the Bank's assessment and disclosure of key data needed to meet regulatory disclosure requirements, which could raise the Bank's compliance and operational costs. Adoption of new technology (e.g., Generative AI/Large Language Models) in financial services can create new risks, such as potential copyrights and intellectual property infringement, spread of misinformation, and inaccuracy of model output stability in model performance impacting reliability for decision making. New regulatory guidelines have expanded model definitions increasing model volumes and data governance requirements which could result in higher costs and new resource requirements.

The Bank has policies that outline guiding principles on how to manage the risks of using models and data, in alignment to the latest regulations on data and AI, while incorporating data ethics into its code of conduct and training. The Bank continues to modernize its model development and validation platforms following a risk-based approach, which includes cloud adoption, investing in better modeling tools and increasing automation to shorten model lifecycles and manage increasing regulatory oversight of models.

Failure to Adapt to Technological Change and Competitive Risks

Risks and impacts emanating from digital innovations such as cloud computing, Generative AI, machine learning and process automation, require continued investments by the Bank to adapt to these new technologies in order to respond to changing customer needs, regulatory expectations, and cyber threats, while staying competitive with peers and new entrants. Rapid digitalization has created greater dependency on technology to carry out critical business processes and as digital service usage continues to increase, stakeholder tolerance for downtime has reduced.

Technology is a focus for the Bank and is a key enabler for the Bank's clients to do business easily, for automating processes, and for driving innovation, including better risk analytics. Managing legacy IT platforms and complex change management processes is an increasing risk focus as adoption of new technologies requires increasing speed to keep pace with a rapidly changing digital landscape. The Bank is strategically increasing its technology investments to address legacy platforms, which should reduce system vulnerabilities and increase flexibility to adopt new technologies cost-effectively. Focus remains on ensuring sufficient resourcing for software updates and to accelerating the remediation of expired software, while cloud investments should support software modernization and application rationalization. The Bank is addressing the risks of adopting Generative AI, including malicious use, data vulnerabilities, and regulatory scrutiny, by establishing AI Risk Guidelines and leveraging existing data and model governance frameworks for ethical and sound adoption across business lines.

Failure to Adapt to Execute on Strategic Objectives

Execution of strategic objectives is contingent upon navigating an external environment driven by changing government priorities, increasing geopolitical tensions and the accelerating pace of regulatory scrutiny and obligations that could require strategic adjustments.

The Bank has aligned its operations to core strategic objectives while remaining agile to adapt to the evolving external environment to help ensure strategic goals are met, while continuing to communicate transparently with investors and other stakeholders.

Principal Risks – Financial

Credit Risk

Credit risk is the risk of loss resulting from the failure of a borrower or counterparty to honour its financial or contractual obligations to the Bank. Credit risk arises in the Bank's direct lending operations, and in its funding, investment and trading activities where counterparties have repayment or other obligations to the Bank.

Credit risk summary

- The Bank's overall loan book as of October 31, 2024 decreased to $768 billion versus $776 billion as of October 31, 2023, with changes reflected in Personal, and Business and Government lending. Residential mortgages were $351 billion as of October 31, 2024, with 85% in Canada. The corporate loan book, which accounts for 38% of the total loan book is composed of 51% of loans with an investment grade rating as of October 31, 2024, compared to 55% of the total loan book in October 31, 2023.
- Loans and acceptances (Personal, and Business and Government lending) remained diversified by region, industry and customer. Regional exposure is spread across our key markets (Canada 68%, United States 8%, Chile 6%, Mexico 6% and Other 12%). Financial Services constitutes 4% of overall gross exposures (before consideration of collateral) and was $31 billion. These exposures are predominately to highly rated counterparties and are generally collateralized.

The effective management of credit risk requires the establishment of an appropriate risk culture. Key credit risk policies and appetite statements are important elements used to create this culture.

The Board of Directors, either directly or through the Risk Committee (the Board), reviews and approves the Bank's Credit Risk Appetite limits annually and Credit Risk Policy limits and thresholds biennially.

- The objectives of the Credit Risk Appetite are to ensure that:
  - target markets and product offerings are well defined at both the enterprise-wide and business line levels;
  - the risk parameters for new underwritings and for the portfolios as a whole are clearly specified; and
  - transactions, including origination, syndication, loan sales and hedging, are managed in a manner that is consistent with the Bank's risk appetite.
- The Credit Risk Policy articulates the credit risk management framework, including:
  - credit risk management policies;
  - delegation of authority;
  - the credit risk management program;
  - credit risk management for trading and investment activities; and
  - Single Name and Aggregate limits, beyond which credit applications must be escalated to the Board for approval.

GRM develops the credit risk management framework and policies that detail, among other things, the credit risk rating systems and associated parameter estimates; the delegation of authority for granting credit; the methodology and calculation of the allowance for credit losses; and the authorization of write-offs.

Corporate and commercial credit exposures are segmented by various business lines and/or by major industry type. Aggregate credit risk limits for each of these segments are also reviewed and approved biennially by the Board. Portfolio management objectives and risk diversification are key factors in setting these limits.

Consistent with the Board-approved limits, borrower limits are set within the context of established lending criteria and guidelines for individual borrowers, particular industries, countries and certain types of lending, to ensure the Bank does not have excessive concentration to any single borrower, or related group of borrowers, particular industry sector or geographic region. Through the portfolio management process, loans may be syndicated to reduce overall exposure to a single name. For certain segments of the portfolio, credit derivative contracts are also used to mitigate the risk of loss due to borrower default. Risk is also mitigated through the selective sale of loans.

Banking units and GRM regularly review the various segments of the credit portfolio on an enterprise-wide basis to assess the impact of economic trends or specific events on the performance of the portfolio, and to determine whether corrective action is required. These reviews include the examination of the risk factors for particular products, industries and countries. The results of these reviews are reported to the Risk Management Committee and, when significant, to the Board.

Risk measures

The Bank's credit risk rating systems support the determination of key credit risk parameter estimates (Probability of Default (PD), Loss-Given-Default (LGD) and Exposure at Default (EAD)) that are applicable to both Retail and Business Banking portfolios and are designed to measure customer credit and transaction risk. The parameters are an integral part of enterprise-wide policies and procedures encompassing governance, risk management, and control structure, and are used in various internal and regulatory credit risk quantification calculations.

The Bank's credit risk rating system is subject to a comprehensive validation, governance and oversight framework. The objectives of this framework are to ensure that:

- Credit risk rating methodologies and parameters are appropriately designed and developed, independently validated, and regularly reviewed, and that the results of each process are adequately documented; and
- The validation process represents an effective challenge to the design and development process including an assessment of risk measures.

The Bank's credit risk rating methodologies and parameters are reviewed and validated at least annually. Units within GRM are responsible for design, and development of credit risk rating methodologies and parameters. Separate units within GRM are responsible for validation and review. The operation of these separate units is functionally independent from the business units responsible for originating exposures. Within GRM, these units are also independent from the units involved in risk rating approval and credit adjudication.

Business Banking credit risk ratings and associated risk parameters affect lending decisions, and loan pricing. Both Business Banking and Retail Banking's credit risk rating systems affect the computation of the allowance for credit losses, and regulatory capital.

Corporate and commercial

Corporate and commercial credit exposure arises in the Bank's business lines.

Risk ratings

The Bank's risk rating system utilizes internal grade (IG) ratings – a 17 point scale used to differentiate the risk of default of borrowers, and the risk of loss on facilities. The general relationship between the Bank's IG ratings and external agency ratings is shown in table T34.

IG ratings are also used to define credit adjudication authority levels appropriate to the size and risk of each credit application. Lower-rated credits require increasingly more senior management involvement depending upon the aggregate exposure. Where a credit exceeds the authority delegated to a credit unit, credit units will refer the request – with its recommendation – to a senior credit committee for adjudication. In certain cases, these must be referred to the Risk Committee of the Board of Directors.

Adjudication

Credit adjudication units within GRM analyze and evaluate all significant credit requests for corporate and commercial credit exposures, to ensure that risks are adequately assessed, properly approved, continually monitored and actively managed. The decision-making process begins with an assessment of the credit risk of the individual borrower or counterparty. Key factors considered in the assessment include:

- The borrower's management;
- The borrower's current and projected financial results and credit statistics;
- The industry in which the borrower operates;
- Environmental and Climate Change risks (including regulatory or reputational impacts);
- Economic trends; and
- Geopolitical risk.

Based on this assessment, a risk rating is assigned to the individual borrower or counterparty, using the Bank's risk rating systems.

A separate risk rating is also assigned at the facility level, taking into consideration additional factors, such as security, seniority of claim, structure, term and any other forms of credit risk mitigation that affect the amount of potential loss in the event of a default of the facility. Security typically takes the form of charges over inventory, receivables, real estate, and operating assets when lending to corporate and commercial borrowers; and cash or treasuries for trading lines such as securities lending, repurchase transactions, and derivatives. The types of acceptable collateral, and related valuation processes are documented in risk management policies and manuals.

Other forms of credit risk mitigation include third party guarantees and, in the case of derivatives facilities, master netting agreements.

Internal borrower and facility risk ratings are assigned when a facility is first authorized, and are promptlyre-evaluated and adjusted, if necessary, as a result of changes to the customer's financial condition or business prospects. Re-evaluation is an ongoing process, and is done in the context of general economic changes, specific industry prospects, and event risks, such as revised financial projections, interim financial results and extraordinary announcements.

The internal credit risk ratings are also considered as part of the Bank's adjudication limits. Single borrower limits are much lower for higher risk borrowers than low risk borrowers.

The credit adjudication process also uses a risk-adjusted profitability model to ensure that the client and transaction structure offers an appropriate return for a given level of risk. For the corporate portfolio, and the large borrowers in International, the Loan Portfolio Management Group reviews the profitability model results, together with external benchmarks, and provides an opinion on the relative return and pricing of each transaction above a minimum threshold.

Individual credit exposures are regularly monitored by both the business line units and GRM for any signs of deterioration. In addition, the business line units and GRM conduct a review and risk analysis of each borrower annually, or more frequently for higher-risk borrowers. If, in the judgement of management, an account requires the expertise of specialists in workouts and restructurings, it will be transferred to a special accounts management group for monitoring and resolution.

Credit Risk Mitigation – Collateral/Security

Traditional Non-Retail Products (e.g. Operating lines of Credit, Term Loans)

Collateral values are accurately identified at the outset and throughout the tenure of a transaction by using standard evaluation methodologies. Collateral valuation estimates are conducted at a frequency that is appropriate to the frequency by which the market value fluctuates, using the collateral type and the borrower risk profile.

In addition, when it is not cost effective to monitor highly volatile collateral (e.g. accounts receivable, inventory), appropriate lending margins are applied to compensate (e.g. accounts receivable are capped at 80% of value, inventory at 50%). The frequency of collateral valuations is also increased when early warning signals of a borrower's deteriorating financial condition are identified.

Borrowers are required to confirm adherence to covenants including confirmation of collateral values on a periodic basis, which are used by the Bank to provide early warning signals of collateral value deterioration. Periodic inspections of physical collateral are performed where appropriate and where reasonable means of doing so are available.

Bank procedures require verification, including certification by banking officers during initial, annual, and periodic reviews, that collateral values/margins/etc. have been assessed and, where necessary, steps have been taken to mitigate any decreased collateral values.

The Bank does not use automated valuation models (AVMs) for valuation purposes for traditional non-retail products. GRM performs its own valuations of companies based on various factors such as book value, discounted book value, enterprise value etc.

Commercial/Corporate Real Estate

New or updated appraisals are generally obtained at inception of a new facility, as well as during loan modifications, loan workouts and troubled debt restructure. The primary reason for requiring a new appraisal is if, in the reasonable opinion of the banking execution unit, or GRM, there has been a material change in value. Additionally, none of the appraisal guidelines contained within the policies dissuade the Bank from requesting an appraisal more frequently if an adverse change in market conditions, sponsorship, credit worthiness, or other underwriting assumptions is realized or expected.

Appraisals must be in writing and must contain sufficient information and analysis to support the Bank's decision to make the loan. Moreover, in rendering an opinion of the property's market value, third party appraisers are responsible for establishing the scope of work necessary to develop credible assignment results. The appraisal must meet the regulatory and industry requirements which, depending on the type of property being appraised, contain any or all of the following three approaches to value:

i. comparable sales approach
ii. replacement cost approach
iii. income approach

The appraiser must disclose the rationale for the omission of any valuation approach. Furthermore, the appraiser must disclose whether the subject property was physically inspected and whether anyone provided significant assistance to the person signing the appraisal report. The report must contain a presentation and explanation of the assumptions used in determining value under each of the above mentioned approaches.

Review of every appraisal is conducted by the banking units and GRM to confirm that the appraisal identifies all of the relevant issues for the specific asset class, location and economic environment and incorporates all appropriate valuation methodologies and assumptions. In most cases, the banking units also include comparable properties in addition to what is included in the appraisal to further justify value.

When third party assessors are used, they must be accredited and satisfactory to the Bank. In addition, GRM validates any third party valuations via internal desktop estimates either based on comparables or discounted income valuations.

Traded products

Traded products are transactions such as OTC derivatives (including foreign exchange and commodity based transactions), and Securities Financing Transactions (including repurchase/reverse repurchase agreements, and securities lending/borrowing). Credit risks arising from traded products cannot be determined with certainty at the outset, because during the tenure of a transaction the dollar value of the counterparty's obligation to the Bank will be affected by changes in the capital markets (such as changes in stock prices, interest rates, and exchange rates). The Bank adjudicates credit exposures arising from transacting in traded products by considering their current fair value plus an additional component to reflect potential future changes in their mark-to-market value. The credit adjudication process also includes an evaluation of potential wrong-way risk, which arises when the exposure to a counterparty is positively correlated to the probability of default of that counterparty.

Credit risk associated with traded products is managed within the same credit adjudication process as the lending business. The Bank considers the credit risk arising from lending activities, as well as the potential credit risk arising from transacting in traded products with that counterparty.

Credit risk mitigation – collateral/security

Derivatives are generally transacted under industry standard International Swaps and Derivatives Association (ISDA) master netting agreements, which allow for a single net settlement of all transactions covered by that agreement in the event of a default or early termination of the transactions. ISDA agreements are frequently accompanied by an ISDA Credit Support Annex (CSA), the terms of which may vary according to each party's view of the other party's creditworthiness. CSAs and regulation in some jurisdictions can require both parties to post initial margin (regulatory and non-regulatory). CSAs also allow for variation margin to be called if total uncollateralized mark-to-market exposure exceeds an agreed upon threshold. Such variation margin provisions can be one-way (only one party will ever post collateral) or bilateral (either party may post depending upon which party is in-the-money). The CSA will also detail the types of collateral that are acceptable to each party, and the haircuts that will be applied against each collateral type. The terms of the ISDA master netting agreements and CSAs are taken into consideration in the calculation of counterparty credit risk exposure.

For derivative transactions, investment grade counterparties account for approximately 89% of the credit risk. Approximately 41% of the Bank's derivative counterparty exposures are to bank counterparties, as defined under Basel III revision. After taking into consideration, where applicable, netting and collateral arrangements, no net credit risk amount arising from traded products transactions with any single counterparty was considered material to the financial position of the Bank as at October 31, 2024. No individual exposure to an investment grade bilateral counterparty exceeded $1,855 million and no individual exposure to a corporate counterparty exceeded $579 million.

Retail

Retail credit exposures arise in the Canadian Banking and International Banking business lines.

Adjudication

The decision-making process for retail loans ensures that credit risks are adequately assessed, properly approved, continually monitored and actively managed. Generally, credit decisions and limit assignments for consumer loans are processed by proprietary adjudication software and are based on strategies that utilize a robust combination of key financial and customer risk indicators and segmentation in addition to credit bureau information and internal risk ratings generated using predictive credit scoring models.

The Bank's credit adjudication and portfolio management methodologies are designed to ensure consistent underwriting and early identification of problem loans in line with our risk appetite. The Bank's rigorous credit underwriting and retail risk strategies and modeling methodologies are more customer focused than product focused. The Bank's view is that a customer-centric approach provides better risk assessment than product-based approaches, a more consistent experience to the customer, and should result in lower loan losses over time.

All credit scoring and policy changes are initiated by units within GRM that are functionally independent from the business units responsible for retail portfolios. Risk models and parameters are also subject to independent validation and review from the units involved in the design and development of models. The review process includes referral to the appropriate Senior Credit Committee for approval, where required. Consumer credit portfolios are reviewed at least monthly to identify emerging trends in loan quality and to assess whether corrective action is required.

Risk ratings

The Bank's consumer risk rating systems are oriented to borrower or transaction risk. Each retail exposure is assigned a risk grade based on the customer's credit history and/or internal credit score. The Bank's automated risk rating systems assess the ongoing credit-worthiness of individual customers on a monthly basis. This process provides for meaningful and timely identification and management of problem loans.

The risk rating system under the AIRB approach is subject to regular review and ongoing performance monitoring of key components. Risk model validations are conducted independently from the areas responsible for rating system development and implementation, to ensure effective independence in design and performance review.

Customer behavior characteristics which are used as inputs within the Bank's Basel III AIRB models are consistent with those used by the Bank's Canadian consumer risk rating systems. The International portfolios are subject to the Standardized approach at this time.

Credit risk mitigation – collateral/security

The property values for residential real estate secured exposures are confirmed at origination through a variety of validation methodologies, including AVM and full appraisals (in-person inspection). The appraisal is completed by a third party, Bank approved appraiser. For monitoring of material portfolios, property values are indexed quarterly to house prices. For loan impairment within material portfolios, residential property values are re-confirmed using third party AVMs.

Where AVM values are used, these AVM values are subject to routine validation through a continuous random sampling process that back-tests AVM values against available property appraisals (primarily third party AVMs). Where third party appraisals are obtained, the Bank relies on the professional industry accreditation of the appraiser. Samples of approved appraisal reports are reviewed by the Bank's senior appraisers to ensure consistent appraisal quality and satisfactory appraisal values. The third party appraisers are selected from a pre-approved list of Bank-vetted appraisers.

Credit Quality

IFRS 9 Financial Instruments, requires the consideration of past events, current conditions and reasonable and supportable forward-looking information over the life of the exposure to measure expected credit losses. Furthermore, to assess significant increases in credit risk, IFRS 9 requires that entities assess changes in the risk of a default occurring over the expected life of a financial instrument when determining staging. Consistent with the requirements of IFRS 9, the Bank considers both quantitative and qualitative information in the assessment of a significant increase in credit risk.

The Bank's models are calibrated to consider past performance and macroeconomic forward-looking variables as inputs, as further described below. In the current year, the Bank enhanced certain of its IFRS 9 models, with the enhanced models exhibiting higher sensitivity to changes in the macroeconomic outlook. Expert credit judgement may be applied in circumstances where, in the Bank's view, the inputs, assumptions, and/or modelling techniques do not capture all relevant risk factors, including the emergence of economic or political events of the market up to the date of the financial statements. Expert credit judgement is applied in the assessment of underlying credit deterioration and migration of balances to progressive stages.

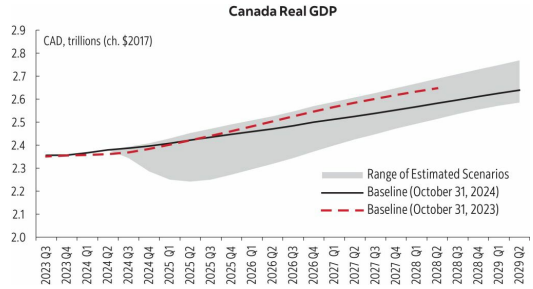
The Bank has generated a forward-looking base case scenario and three alternate forward-looking scenarios (one optimistic and two pessimistic) as key inputs into the expected credit loss provisioning models.

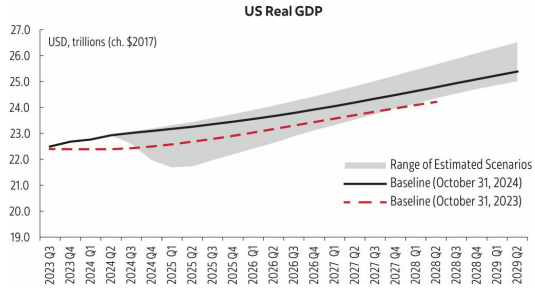
Over the last year, the Canadian and U.S. economies continued to exhibit resilience in the face of restrictive monetary policy, supported by still strong labour markets and consumption, particularly in the U.S., with both economies on track to record stronger economic growth in 2024 than forecast last year. Notwithstanding the upward revision to growth, in Canada, more clear signs of slowing emerged over the past few months, with excess supply opening up room for the Bank of Canada to begin monetary policy easing earlier this year as inflation continued to decline. In the U.S., a more robust labour market and fiscal stimulus led to more substantial revisions to growth and slower progress on inflation, with the U.S. central bank cutting a quarter later than previously expected. It appears a soft-landing has been achieved, with a reacceleration of growth in 2025 expected in Canada from the orderly slowdown of 2024. In the U.S., a mild deceleration relative to 2024 is expected, yet it is still stronger than the forecast in 2023.

The optimistic scenario features somewhat stronger economic activity relative to the base case. The pessimistic scenario features a negative demand-type shock on the world economy with globally tighter private financial conditions, weaker growth and inflation, and lower monetary policy rates than in the baseline scenario. Lastly, the very pessimistic scenario features a strong stagflationary impulse that leads to a protracted period of financial market uncertainty. This results in higher inflation, requiring central banks to raise their policy rate to higher levels than in the base case in order to bring inflation under control, which is dampening economic activity.

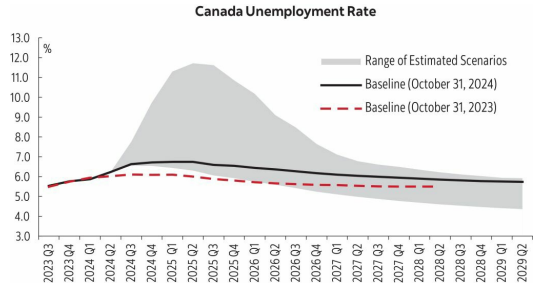
The following section provides additional detail on certain key macroeconomic variables used to calculate the modelled estimate for the allowance for credit losses (see page 186 for all key variables). Further changes in these variables up to the date of the financial statements are incorporated through expert credit judgement.

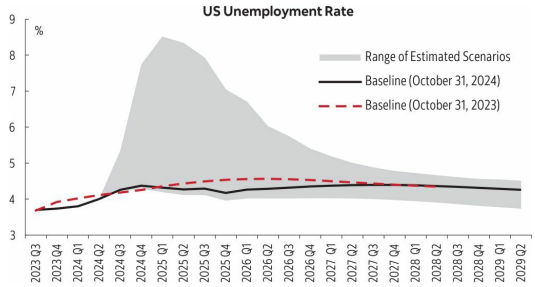
- **Gross Domestic Product (GDP):** The base case scenario assumes a pickup in economic activity in Canada into 2025, compared with a slowdown in the U.S. after its remarkable performance in 2024. In Canada, we expect the economy will grow by about 1.1% in 2024 before reaccelerating to 1.9% in 2025. In the U.S., we expect an economic expansion of about 2.5% in 2024 before slowing to 1.6% in 2025. Relative to last year, the profile for Canada's GDP is lower starting in the second half of 2025, consistent with the disappointing productivity performance, leading to a lower level for potential and projected GDP. Conversely, a significantly better-than-expected productivity performance is resulting in an upward revision to our U.S. GDP over the forecast period.





- **Unemployment Rate:** The base case scenario assumes a modest increase in the unemployment rate in Canada into 2025. Unemployment rate projections for Canada are higher than they were last year, particularly in 2025. On the other hand the U.S. unemployment rate is no longer expected to increase into 2025 and beyond, owing to much more resilient labour markets than previously assessed.





T44 Allowance for credit losses by business line

As at October 31 ($ millions)	2024	2023
Canadian Banking		
Retail	**$ 1,977**	$ 1,865
Commercial	**614**	507
	$ 2,591	$ 2,372
International Banking		
Retail		
Caribbean and Central America	**$ 424**	$ 481
Mexico	**598**	622
Peru	**607**	667
Chile	**617**	635
Colombia	**354**	350
Other	**92**	99
Commercial	**1,006**	941
	$ 3,698	$ 3,795
Global Wealth Management	**$ 47**	$ 27
Global Banking and Markets	**$ 198**	$ 176
Other	**$ 2**	$ 2
Allowance for credit losses on loans	**$ 6,536**	$ 6,372
Allowance for credit losses on:		
Acceptances	**$ 1**	$ 90
Off-balance sheet exposures	**186**	149
Debt securities and deposits with financial institutions	**13**	18
Total Allowance for credit losses	**$ 6,736**	$ 6,629

Allowance for credit losses

The total allowance for credit losses as at October 31, 2024 was $6,736 million compared to $6,629 million in the prior year. The allowance for credit losses ratio was 88 basis points, an increase of three basis points. The allowance for credit losses for loans was $6,536 million, an increase of $164 million from October 31, 2023. The increase was driven by higher allowance for credit losses on impaired loans, due primarily to retail formations in International Banking and higher impaired provisions in Canadian Banking. This was partly offset by the impact of foreign currency translation.

The allowance for credit losses on performing loans was lower at $4,482 million compared to $4,491 million as at October 31, 2023. The allowance for performing loans ratio was 61 basis points. The decrease was due primarily to retail credit migration to impaired in International Banking, mainly in Mexico and Peru, and the impact of foreign currency translation. This was partly offset by provisions for credit migration in retail portfolios in Canadian Banking and retail portfolio growth, as well as higher commercial and corporate provisions due to credit migration and the macroeconomic outlook that continues to be unfavorable, yet improved from the prior year. The impact of foreign currency translation decreased the allowance by $96 million.

The allowance on impaired loans increased by $173 million to $2,054 million from $1,881 million last year. The allowance for impaired loans ratio was 27 basis points, an increase of three basis points. The increase was due primarily to higher retail formations in International Banking and higher provisions in Canadian Banking, partly offset by the $59 million impact of foreign currency translation.

The allowance for credit losses on impaired loans in Canadian Banking increased by $60 million to $551 million, due primarily to higher commercial and retail formations. In International Banking, the allowance for credit losses on impaired loans increased by $95 million to $1,459 million, due primarily to higher retail provisions across most markets, partly offset by the impact of foreign currency translation. In Global Banking and Markets, the allowance for credit loss on impaired loans was $23 million, an increase of $7 million from last year. In Global Wealth Management, the allowance for credit loss on impaired loans increased by $11 million to $21 million due to higher formations.

T45 Impaired loans by business line

As at October 31 ($ millions)	2024 Gross impaired loans	2024 Allowance for credit losses	2024 Net impaired loans	2023 Gross impaired loans	2023 Allowance for credit losses	2023 Net impaired loans
Canadian Banking						
Retail	**$ 1,212**	**$ 365**	**$ 847**	$ 965	$ 353	$ 612
Commercial	**840**	**186**	**654**	475	138	337
	$ 2,052	**$ 551**	**$ 1,501**	$ 1,440	$ 491	$ 949
International Banking						
Caribbean and Central America	**$ 665**	**$ 158**	**$ 507**	$ 662	$ 160	$ 502
Latin America						
Mexico	**1,343**	**424**	**919**	1,183	372	811
Peru	**715**	**385**	**330**	691	372	319
Chile	**1,249**	**281**	**968**	1,098	264	834
Colombia	**322**	**109**	**213**	356	97	259
Other Latin America	**166**	**102**	**64**	167	99	68
Total Latin America	**3,795**	**1,301**	**2,494**	3,495	1,204	2,291
	$ 4,460	**$ 1,459**	**$ 3,001**	$ 4,157	$ 1,364	$ 2,793
Global Wealth Management	**$ 71**	**$ 21**	**$ 50**	$ 32	$ 10	$ 22
Global Banking and Markets						
Canada	**$ 47**	**$ 1**	**$ 46**	$ 96	$ 15	$ 81
U.S.	**109**	**22**	**87**	–	–	–
Asia and Europe	**–**	**–**	**–**	1	1	–
	$ 156	**$ 23**	**$ 133**	$ 97	$ 16	$ 81
Totals	**$ 6,739**	**$ 2,054**	**$ 4,685**	$ 5,726	$ 1,881	$ 3,845

Impaired loan metrics

As at October 31 ($ millions)	Net impaired loans 2024	Net impaired loans 2023
Net impaired loans as a % of loans and acceptances (1)	**0.61%**	0.50%
Allowance against impaired loans as a % of gross impaired loans (1)	**30%**	33%

(1) Refer to Glossary on page 132 for the description of the measure.

Impaired loans

Gross impaired loans increased to $6,739 million as at October 31, 2024, from $5,726 million last year. The increase was due primarily to higher formations across portfolios, reflecting the impact of inflation and higher interest rates across all business lines, partly offset by the impact of foreign currency translation.

Impaired loans in Canadian Banking increased by $612 million, due primarily to higher formations in the commercial and retail portfolios. In International Banking, impaired loans increased by $303 million, due primarily to higher retail and commercial formations, partly offset by the impact of foreign currency translation. Impaired loans in Global Banking and Markets increased by $59 million, due primarily to higher formations, related mainly to one account. Impaired loans in Global Wealth Management increased by $39 million due to new formations. The gross impaired loan ratio was 88 basis points as at October 31, 2024, an increase of 14 basis points.

Net impaired loans, after deducting the allowance for credit losses, were $4,685 million as at October 31, 2024, an increase of $840 million from the prior year. Net impaired loans as a percentage of loans and acceptances were 0.61% as at October 31, 2024, an increase of 11 basis points from 0.50% last year.

Portfolio review

Canadian Banking

Gross impaired loans in the retail portfolio increased by $247 million to $1,212 million, due primarily to higher formations in the mortgage portfolio. The allowance for credit losses on impaired loans in the retail portfolio was $365 million, up $12 million or 3% from last year.

In the commercial loan portfolio, gross impaired loans increased $365 million to $840 million due primarily to higher formations in the Transportation and Food and Beverage sectors. The allowance for credit losses on impaired loans was $186 million, up $48 million or 35% from last year.

International Banking

In the retail portfolio, gross impaired loans increased by $197 million to $2,252 million, due primarily to higher formations, mainly in Mexico, Peru and Chile, partly offset by the impact of foreign currency translation. The allowance for credit losses on impaired loans in the retail portfolio was $894 million, an increase of $92 million or 11% from last year, due primarily to higher formations, partly offset by the impact of foreign currency translation.

In the commercial portfolio, gross impaired loans were $2,208 million, an increase of $106 million from last year, due primarily to new formations in Chile and Mexico, partly offset by the impact of foreign currency translation. The allowance for credit losses on impaired loans was $565 million, an increase of $3 million or 1% from last year.

Global Wealth Management

Gross impaired loans in Global Wealth Management were $71 million, an increase of $39 million from last year, due primarily to higher formations in Canada. The allowance for credit losses on impaired loans was $21 million, an increase of $11 million from last year due primarily to higher formations.

Global Banking and Markets

Gross impaired loans in Global Banking and Markets increased by $59 million to $156 million, due primarily to new formations related mainly to one account. The allowance for credit losses on impaired loans was $23 million, an increase of $7 million from last year.

Risk diversification

The Bank's exposure to various countries and types of borrowers are well diversified (see T64 and T67). Chart C27 shows loans and acceptances by geography. Ontario represents the largest Canadian exposure at 37% of the total. Latin America was 19% of the total exposure and the U.S. was 8%.

Chart C28 shows loans and acceptances by type of borrower (see T67). Corporate loans exposures were real estate and construction (9%), financial services (4% including banks and non-banks) and utilities (3%).

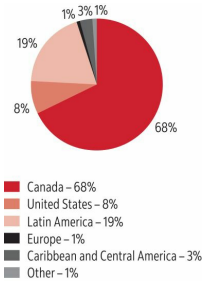
Risk mitigation

To mitigate exposures in its performing corporate portfolios, the Bank uses diversification by company, industry, and country, with loan sales and credit derivatives used sparingly. In 2024, loan sales totaled $1.1 billion, compared to $192 million in 2023. As at October 31, 2024, no credit derivatives were used to mitigate loan exposures in the portfolios (October 31, 2023 – nil). The Bank actively monitors industry and country concentrations. As in the case with all industry exposures, the Bank continues to closely follow developing trends and takes additional steps to mitigate risk as warranted.

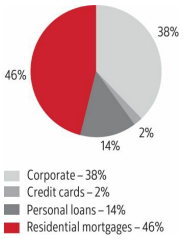
Overview of loan portfolio

The Bank has a well-diversified portfolio by product, business and geography. Details of certain portfolios of current focus are highlighted below.

C27 Well diversified in Canada and internationally... loans and acceptances, October 2024



C28 ... and in household and business lending loans and acceptances, October 2024



Real estate secured lending

A large portion of the Bank's lending portfolio is comprised of residential mortgages and consumer loans, which are well diversified by borrower. As at October 31, 2024, these loans accounted for $475 billion or 62% of the Bank's total loans and acceptances outstanding (October 31, 2023 – $466 billion or 60%). Of these, $374 billion or 79% are real estate secured loans (October 31, 2023 – $367 billion or 79%). The tables below provide more details by portfolios.

Insured and uninsured residential mortgages and home equity lines of credit

The following table presents amounts of insured and uninsured residential mortgages and home equity lines of credit (HELOCs), by geographic area.

T46 Insured and uninsured residential mortgages and HELOCs, by geographic areas (1)

	2024											
	Residential mortgages						Home equity lines of credit					
As at October 31	Insured(2)		Uninsured		Total		Insured(2)		Uninsured		Total	
($ millions)	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Canada:(3)												
Atlantic provinces	$ 4,663	1.6	$ 6,916	2.3	$ 11,579	3.9	$ –	–	$ 1,073	4.6	$ 1,073	4.6
Quebec	7,246	2.4	12,368	4.2	19,614	6.6	–	–	1,203	5.2	1,203	5.2
Ontario	29,402	9.9	136,257	45.8	165,659	55.7	–	–	13,806	59.2	13,806	59.2
Manitoba & Saskatchewan	4,985	1.7	4,498	1.5	9,483	3.2	–	–	590	2.5	590	2.5
Alberta	15,150	5.1	16,418	5.5	31,568	10.6	–	–	2,203	9.5	2,203	9.5
British Columbia & Territories	10,250	3.4	49,524	16.6	59,774	20.0	–	–	4,422	19.0	4,422	19.0
Canada(4)(5)	$71,696	24.1%	$225,981	75.9%	$297,677	100%	$ –	–%	$23,297	100%	$23,297	100%
International	–	–	53,264	100	53,264	100	–	–	–	–	–	–
Total	$71,696	20.4%	$279,245	79.6%	$350,941	100%	$ –	–%	$23,297	100%	$23,297	100%
						2023						
Canada(4)(5)	$75,538	26.0%	$214,715	74.0%	$290,253	100%	$ –	–%	$22,472	100%	$22,472	100%
International	–	–	53,929	100	53,929	100	–	–	–	–	–	–
Total	$75,538	21.9%	$268,644	78.1%	$344,182	100%	$ –	–%	$22,472	100%	$22,472	100%

(1) The measures in this section have been disclosed in this document as required by OSFI Guideline – B20 – Residential Mortgage Underwriting Practices and Procedures (January 2018).
(2) Default insurance is contractual coverage for the life of eligible facilities whereby the Bank's exposure to real estate secured lending is protected against potential shortfalls caused by borrower default. This insurance is provided by either government-backed entities or private mortgage insurers.
(3) The province represents the location of the property in Canada.
(4) Includes multi-residential dwellings (4+ units) of $3,796 (October 31, 2023 – $3,710) of which $3,024 are insured (October 31, 2023 – $2,458).
(5) Variable rate mortgages account for 30% (October 31, 2023 – 33%) of the Bank's total Canadian residential mortgage portfolio.

Amortization period ranges for residential mortgages

The following table presents the distribution of residential mortgages by remaining amortization periods, and by geographic areas.

T47 Distribution of residential mortgages by remaining amortization periods, and by geographic areas (1)

	2024					
	Residential mortgages by remaining amortization periods					
As at October 31	Less than 20 years	20-24 years	25-29 years	30-34 years	35 years and greater	Total residential mortgage
Canada	36.1%	34.9%	27.7%	0.9%	0.4%	100%
International	64.5%	17.9%	16.6%	1.0%	–%	100%
			2023			
Canada	34.2%	37.4%	27.7%	0.5%	0.2%	100%
International	64.5%	17.2%	17.2%	1.1%	–%	100%

(1) The measures in this section have been disclosed in this document as required by OSFI Guideline – B20 – Residential Mortgage Underwriting Practices and Procedures (January 2018).

Loan-to-value ratios

The Canadian residential mortgage portfolio is 76% uninsured (October 31, 2023 – 74%). The average loan-to-value (LTV) ratio of the uninsured portfolio is 51% (October 31, 2023 – 49%).

The following table presents the weighted average LTV ratio for total newly originated uninsured residential mortgages and home equity lines of credit during the year, which include mortgages for purchases, refinances with a request for additional funds and transfers from other financial institutions, by geographic areas.

T48 Loan-to-value ratios(1)

	Uninsured LTV ratios	
	For the year ended October 31, 2024	
	Residential mortgages LTV%	Home equity lines of credit(2) LTV%
Canada:(3)		
Atlantic provinces	**60.4%**	**62.5%**
Quebec	**61.7**	**66.4**
Ontario	**61.4**	**61.7**
Manitoba & Saskatchewan	**65.4**	**62.6**
Alberta	**65.3**	**66.0**
British Columbia & Territories	**60.8**	**60.4**
Canada(3)	**61.7%**	**62.1%**
International	**71.1%**	**n/a**
	For the year ended October 31, 2023	
Canada(3)	60.2%	62.9%
International	71.7%	n/a

(1) The measures in this section have been disclosed in this document as required by OSFI Guideline – B20 – Residential Mortgage Underwriting Practices and Procedures (January 2018).
(2) Includes all home equity lines of credit (HELOC). For Scotia Total Equity Plan HELOCs, LTV is calculated based on the sum of residential mortgages and the authorized limit for related HELOCs, divided by the value of the related residential property, and presented on a weighted average basis for newly originated mortgages and HELOCs.
(3) The province represents the location of the property in Canada.

Potential impact on residential mortgages and real estate home equity lines of credit in the event of an economic downturn

As part of its stress testing program, the Bank analyzes the impact of various combinations of home price declines and unemployment increases on the Bank's residential mortgage portfolios. Those results continue to show that credit losses and impacts on capital ratios are within a level the Bank considers manageable. In addition, the Bank has undertaken extensive all-Bank scenario analyses to assess the impact to the enterprise of different scenarios and is confident that it has the financial resources to withstand even a very negative outlook.

Commercial real estate exposures

The Bank's commercial real estate portfolio was $66.0 billion (October 31, 2023 – $67.4 billion), or 8.6% (October 31, 2023 – 8.7%) of the Bank's total loans and acceptances outstanding as at October 31, 2024. This portfolio is comprised of 73% of loans to the residential and industrial sector (October 31, 2023 – 73%) both with relatively stable fundamentals. Total exposure to the Office subsector (entities engaged in the construction, development, or ownership of office properties as a business) represents approximately 9% of the commercial real estate portfolio, of which approximately 60% are investment grade facilities, in line with the prior year. U.S. office exposure represents approximately 0.4% (October 31, 2023 – 0.6%) of the portfolio.

Loans to Canadian condominium developers

The Bank had loans outstanding to Canadian condominium developers of $3,238 million as at October 31, 2024 (October 31, 2023 – $3,259 million), representing approximately 5% of the commercial real estate portfolio, of which approximately 72% are investment grade facilities, in line with the prior year. This is a portfolio with developers who have long-term relationships with the Bank.

Regional non-retail exposures

The Bank's exposures outside Canada and the U.S. are diversified by region and product and are sized appropriately relative to the credit worthiness of the counterparties (60% of the exposures are to investment grade counterparties based on a combination of internal and external ratings). The Bank's exposures are carried at amortized cost or fair value using observable inputs, with negligible amounts valued using models with unobservable inputs (Level 3). There were no significant events during the year that materially impacted the Bank's exposures.

The Bank has no direct exposure to Russia or Ukraine. While some customers may be negatively impacted by the conflict in the region and by trade restrictions as a result of sanctions, the impact to the Bank, to date, is immaterial and appropriately mitigated.

The Bank's exposure to sovereigns was $58.9 billion as at October 31, 2024 (October 31, 2023 – $66.2 billion), $15.5 billion to banks (October 31, 2023 – $16.7 billion) and $111.0 billion to corporates (October 31, 2023 – $129.2 billion).

In addition to exposures detailed in the table below, the Bank had indirect exposures consisting of securities exposures to non-European entities whose parent company is domiciled in Europe of $0.3 billion as at October 31, 2024 (October 31, 2023 – $0.3 billion).

The Bank's regional credit exposures are distributed as follows:

T49 Bank's regional credit exposures distribution

As at October 31	2024							2023
($ millions)	Loans and loan equivalents(1)	Deposits with financial institutions	Securities(2)	SFT and derivatives(3)	Funded Total	Undrawn Commitments(4)	Total	Total
Latin America(5)	**$ 80,353**	**$ 9,285**	**$ 25,400**	**$ 1,109**	**$ 116,147**	**$ 9,081**	**$ 125,228**	$ 137,715
Caribbean and Central America	**13,123**	**3,724**	**4,803**	**71**	**21,721**	**2,800**	**24,521**	23,302
Europe, excluding U.K.	**7,587**	**1,714**	**2,547**	**3,354**	**15,202**	**9,881**	**25,083**	26,415
U.K.	**7,629**	**420**	**718**	**2,291**	**11,058**	**7,134**	**18,192**	25,545
Asia	**9,490**	**822**	**9,910**	**488**	**20,710**	**8,748**	**29,458**	38,371
Other(6)	**269**	**3**	**79**	**208**	**559**	**219**	**778**	598
Total	**$ 118,451**	**$ 15,968**	**$ 43,457**	**$ 7,521**	**$ 185,397**	**$ 37,863**	**$ 223,260**	$ 251,946

(1) Individual allowances for credit losses are $570. Letters of credit and guarantees are included as funded exposure as they have been issued. Included in loans and loans equivalent are letters of credit and guarantees which total $14,446 as at October 31, 2024 (October 31, 2023 – $16,297).
(2) Exposures for securities are calculated taking into account derivative positions where the security is the underlying reference asset and short trading positions, with net short positions in brackets.
(3) SFT comprise of securities purchased under resale agreements, obligations related to securities sold under repurchase agreements and securities lending and borrowing transactions. Gross and net funded exposures represent all net positive positions after taking into account collateral. Collateral held against derivatives was $5,568 and collateral held against SFT was $129,192.
(4) Undrawn commitments represent an estimate of the contractual amount that may be drawn upon by the obligor and include commitments to issue letters of credit on behalf of other banks in a syndicated bank lending arrangement.
(5) Includes Mexico, Chile, Peru, Colombia, Brazil, Uruguay, Venezuela, Ecuador and Argentina.
(6) Includes Middle East and Africa.

Market Risk

Market risk is the risk of loss from changes in market prices and rates (including interest rates, credit spreads, equity prices, foreign exchange rates and commodity prices), the correlations between them, and their levels of volatility. Market risk includes trading risk, investment risk, structural interest rate risk and structural foreign exchange risk. Below is an index of market risk disclosures:

Market risk factors

Interest rate risk

The risk of loss due to changes in the level and/or the volatility of interest rates. This risk affects instruments such as, but not limited to, debt securities, loans, mortgages, deposits and derivatives.

Interest rate risks are managed through sensitivity analysis (including economic value of equity and net interest income), stress testing, and VaR limits and mitigated through portfolio diversification and hedges using interest rate derivatives and debt securities.

Credit spread risk

The risk of loss due to changes in the market price and volatility of credit, or the creditworthiness of issuers. This risk is mainly concentrated in loan and debt securities portfolios. Risk is managed through sensitivity, jump-to-default, stress testing and VaR limits and mitigated through hedges using credit derivatives.

Foreign currency risk

The risk of loss resulting from changes in currency exchange rates and exchange rate volatility. Foreign currency denominated debt and other securities as well as future cash flows in foreign currencies are exposed to this type of risk. Risk is managed through sensitivity, stress testing and VaR limits and mitigated through hedges using foreign exchange positions and derivatives.

Equity risk

The risk of loss due to changes in prices, volatility or any other equity related risk factor of individual equity or equity linked securities. This risk affects instruments such as, but not limited to, equities, exchange traded funds, mutual funds, derivatives and other equity linked products. Risk is managed through sensitivity, stress testing and VaR limits and mitigated through hedges using physical equity and derivatives instruments.

Commodity risk

The risk of loss due to changes in prices or volatility of metal, energy and agriculture products. Risk is managed through sensitivity, stress testing and VaR limits and mitigated through derivative hedges.

The following maps risk factors to trading and non-trading activities:

Non-trading Funding	**Investments**	**Trading**
Interest rate risk	Interest rate risk	Interest rate risk
Foreign currency risk	Credit spread risk	Credit spread risk
	Foreign currency risk	Foreign currency risk
	Equity risk	Equity risk
		Commodity risk

Market risk governance

Overview

The Board of Directors reviews and approves market risk policies and limits annually. The Bank's Asset-Liability Committee (ALCO) and Market Risk Management and Policy Committee (MRMPC) oversee the application of the framework set by the Board, and monitor the Bank's market risk exposures and the activities that give rise to these exposures. The MRMPC establishes specific operating policies and sets limits at the product, portfolio, business unit and business line levels, and for the Bank in total. Limits are reviewed at least annually.

Global Risk Management provides independent oversight of all significant market risks, supporting the MRMPC and ALCO with analysis, risk measurement, monitoring, reporting, proposals for standards and support for new product development. To ensure compliance with policies and limits, market risk exposures are independently monitored on a continuing basis, either by Global Risk Management or the back offices. They provide senior management, business units, the ALCO, and the MRMPC with a series of reports on market risk exposures by business line and risk type.

Market risk is also managed through the use of a variety of hedging instruments, including derivatives and securities. These instruments are approved for trading by Global Risk Management and the effectiveness of hedging activity is captured through limits on net exposure to risk factors.

The Bank uses a variety of metrics and models to measure and control market risk exposures. These measurements are selected based on an assessment of the nature of risks in a particular activity. The principal measurement techniques applied to market risk exposure are Value at Risk (VaR), stress testing, and sensitivity analysis. The use and attributes of each of these techniques are noted in the Risk Measurement Summary.

Risk measurement summary

Value at risk (VaR)

VaR is a statistical method of measuring potential loss due to market risk based upon a common confidence interval and time horizon. The Bank calculates VaR daily using a 99% confidence level, and a one-day holding period for its trading portfolios. This means that once in every 100 days, the trading positions are expected to lose more than the VaR estimate. VaR has two components: general market risk and debt specific risk. The Bank calculates general market risk VaR using historical simulation based on 300 days of market data. Obligor specific risk on debt instruments and credit derivatives not captured in general market risk VaR is calculated through the debt specific risk VaR, which uses historical resampling.

All material risk factors are captured in VaR. Where historical data is not available, proxies are used to establish the relevant volatility for VaR until sufficient data is available. Changes in VaR between reporting periods are generally due to changes in positions, volatilities and/or correlations

between asset classes. Backtesting is also an important and necessary part of the VaR process. The Bank backtests the actual trading profit and loss against the VaR result to validate the quality and accuracy of the Bank's VaR model. The Board reviews VaR results quarterly.

Stress testing
A limitation of VaR is that it only reflects the recent history of market volatility. To complement this measure, stress testing examines the impact that abnormally large changes in market factors and periods of prolonged inactivity might have on trading portfolios. Stress testing scenarios are designed to include large shifts in risk factors as well as historical and theoretical multi risk market events. Historical scenarios capture severe movements over periods that are significantly longer than the one-day holding period captured in VaR, such as the Silicon Valley Bank Crisis Scenario, COVID-19 Scenario or the 2008 Financial Crisis Scenario. Stress testing is a dynamic tool which provides management with information on potential losses due to tail events.

The Bank subjects its trading portfolios to a series of daily stress tests. The stress testing program is an essential component of the Bank's comprehensive risk management framework which complements the VaR methodology and other risk measures and controls employed by the Bank.

Sensitivity analysis
In trading portfolios, sensitivity analysis is used to measure the effect of changes in risk factors, including prices and volatility, on financial products and portfolios. These measures apply across product types and geographies and are used for limit monitoring and management reporting.

In non-trading portfolios, sensitivity analysis assesses the effect of changes in interest rates on current earnings and on the economic value of equity. It is applied globally to each of the major currencies within the Bank's operations. The Bank's sensitivity analysis for limit and disclosure purposes is measured through positive and negative parallel shifts in the underlying interest rate curves. These calculations are based on models that consider a number of inputs and are on a constant balance sheet and make no assumptions for management actions that may mitigate the risks. The Bank also performs sensitivity analysis using various non-parallel interest rate curve shifts, for example: curve steepeners, curve flatteners and curve twists.

Validation of market risk models
Prior to the implementation of new market risk models, rigorous validation and testing are conducted. Validation is conducted when the model is initially developed and when any significant changes are made to the model. The models are also subject to ongoing validation, the frequency of which is determined by model risk ratings. Models may also be triggered for earlier revalidation when there have been significant structural changes in the market or changes to the composition of the portfolio. Model validation includes backtesting, and additional analysis such as:

- Theoretical review or tests to demonstrate whether assumptions made within the internal model are appropriate; and
- Impact tests including stress testing that would occur under historical and hypothetical market conditions.

The validation process is governed by the Bank's Model Risk Management Policy.

Market risk from CVA
Credit Valuation Adjustment (CVA) is the adjustment to risk free mark-to-market value of transactions to account for the potential default of a counterparty. CVA risk is the risk of loss arising from changing CVA values in response to changes in counterparty credit spreads and market risk factors.

The CVA risk management framework is governed as part of the Bank's risk management policies which are designed to ensure effective oversight and control of market risk and CVA risks. Regular risk reporting to senior management provides aggregate measures of risk for CVA and is used to ensure compliance with risk appetite, policies, limits, and guidelines. The framework includes independent control units responsible for maintaining the integrity and effectiveness of CVA risk management practices. These units operate separately from the lines of business to ensure unbiased oversight. Regular independent reviews are conducted to assess the effectiveness of the CVA risk management and hedging framework. The governance structure and Bank policies ensure that data acquisition for CVA calculation is independent of the lines of business.

Senior management is actively involved in the risk control process. They oversee the implementation of policies and procedures to identify, measure, monitor, and control CVA risks. Updates to the CVA risk management framework and policies are approved by senior management committees. Senior management receives regular reports on CVA risk exposures and the effectiveness of hedging strategies. This continuous monitoring helps in making informed decisions and maintaining a robust risk management framework.

Non-trading market risk

Funding and investment activities
Market risk arising from the Bank's funding and investment activities is identified, managed and controlled through the Bank's asset-liability management processes. The Asset-Liability Committee meets monthly to review risks and opportunities, and evaluate performance including the effectiveness of hedging strategies.

Interest rate risk
Interest rate risk arising from the Bank's lending, funding and investment activities is managed in accordance with Board-approved policies and global limits, which are designed to control the risk to net interest income and economic value of equity. The net interest income (NII) sensitivity measures the effect of a specified change in interest rates on the Bank's annual net interest income over the next twelve months, while the economic value of equity (EVE) sensitivity measures the impact of a specified change in interest rates on the present value of the Bank's net assets. Limits for both measurements are set according to the documented risk appetite of the Bank. Board-level limit utilization is reported to both the Asset-Liability Committee and the Board on a regular basis. Any limit exceptions are reported according to the Limit Monitoring and Compliance Policy of the Bank.

The net interest income and the economic value of equity result from the differences between yields earned on the Bank'snon-trading assets and interest expense paid on its liabilities. Net interest income and economic value of equity sensitivities measure the risk to the Bank's earnings and capital arising from adverse movements in interest rates that affect the Bank's banking book position. The Bank's banking book position reflects the mismatch of the maturity and re-pricing characteristics between the assets and liabilities and optional elements embedded in the Bank's structural balance sheet (e.g. mortgage prepayment). The mismatch and embedded optional elements are inherent in the non-trading operations of the Bank and exposes it to changes of interest rates. The Asset-Liability Committee provides strategic direction for the management of

structural interest rate risk within the risk appetite framework authorized by the Board of Directors. The asset/liability management strategy is executed by Group Treasury with the objective of protecting net interest income within established risk tolerances.

Simulation modeling, sensitivity analysis and stress testing are used to assess exposures and for limit monitoring of the Bank's interest rate risk in the banking book. The Bank's interest rate risk exposure is estimated by simulating the banking book position under a range of rate shocks. The simulations incorporate maturities, renewal, and repricing characteristics of the banking book along with prepayment and redemption behaviour of loans and cashable investment products. Calculations are generally based on the earlier of contractual re-pricing or maturity of on-balance sheet and off-balance sheet assets and liabilities, although certain assets and liabilities such as credit cards and deposits without a fixed maturity are assigned a maturity profile based on the longevity of the exposure. Expected prepayments from loans and cashable investment products are also incorporated into the exposure calculations.

Table T50 shows the pro-forma pre-tax impact on the Bank's net interest income over the next twelve months and economic value of equity of an immediate and sustained 100 basis points parallel increase and decrease in interest rate across major currencies as defined by the Bank. The interest rate sensitivities tabulated are based on models that consider a number of inputs and are on a constant balance sheet. There are no assumptions made for management actions that may mitigate risk. Based on the Bank's interest rate positions at year-end 2024, an immediate and sustained 100 basis point increase in interest rates across all major currencies and maturities would decrease pre-tax net interest income by approximately $21 million over the next 12 months, assuming no further management actions. During fiscal 2024, this measure ranged between decrease of $21 million and decrease of $93 million.

This same increase in interest rates would result in an pre-tax decrease in the present value of the Bank's net assets of approximately $1,338 million. During fiscal 2024, this measure ranged between $1,131 million and $1,587 million. The directional sensitivity of these two key metrics is largely determined by the difference in time horizons (net interest income captures the impact over the next twelve months only, whereas economic value considers the potential impact of interest rate changes on the present value of all future cash flows). The net interest income and economic value results are compared to the authorized Board limits. Both interest rate sensitivities remained within the Bank's approved consolidated limits in the reporting period.

T50 Structural interest sensitivity

	2024		2023	
As at October 31 ($ millions)	**Economic Value of Equity**	**Net Interest Income**	Economic Value of Equity	Net Interest Income
Pre-tax impact of				
100bp increase in rates				
Non-trading risk	**$ (1,338)**	**$ (21)**	$ (1,256)	$ (99)
100bp decrease in rates				
Non-trading risk	**$ 780**	**$ (31)**	$ 824	$ 68

Internal risk transfer

As per OSFI Capital Adequacy Requirements (CAR), an internal risk transfer is defined as an internal record of a transfer of risk within the banking or trading book, or between the banking and trading book.

In certain cases, it is more efficient for the Bank to hedge a banking book's interest rate risk exposure through an internal risk transfer to a trading desk which can externalize the risk to the market. This activity is governed by regulatory defined parameters to ensure the market risk is externalized.

Foreign currency risk

Foreign currency risk in the Bank's unhedged funding and investment activities arises primarily from the Bank's net investments in foreign operations as well as foreign currency earnings in its domestic and remitting foreign branch operations.

The Bank's foreign currency exposure to its net investments in foreign operations is controlled by a Board-approved limit. This limit considers factors such as potential volatility to shareholders' equity as well as the potential impact on capital ratios from foreign exchange fluctuations. On a monthly basis, the Asset-Liability Committee reviews the Bank's foreign currency net investment exposures and determines the appropriate hedging strategies. These may include funding the investments in the same currency or using other financial instruments, including derivatives.

Foreign currency translation gains and losses from net investments in foreign operations, net of related hedging activities and tax effects, are recorded in accumulated other comprehensive income within shareholders' equity. However, the Bank's regulatory capital ratios are not materially affected by these foreign exchange fluctuations because the risk-weighted assets of the foreign operations tend to move in a similar direction.

The Bank is also subject to foreign currency translation risk on the earnings of its domestic and remitting foreign branch operations. The Bank forecasts foreign currency revenues and expenses, over a number of future fiscal quarters. The Asset-Liability Committee also assesses economic data trends and forecasts to determine if some or all of the estimated future foreign currency revenues and expenses should be hedged. Hedging instruments normally include foreign currency spot and forward contracts, as well as foreign currency options and swaps. Certain of these economic hedges may not qualify for hedge accounting resulting in a potential for a mismatch in the timing of the recognition of economic hedge gains/losses and the underlying foreign earnings translation gains/losses. In accordance with IFRS, foreign currency translation gains and losses relating to monetary and non-monetary items are recorded directly in earnings.

As at October 31, 2024, a one percent increase (decrease) in the Canadian dollar against all currencies in which the Bank operates decreases (increases) the Bank's before-tax annual earnings by approximately $45 million (October 31, 2023 – $63 million) in the absence of hedging activity, due primarily from exposure to U.S. dollars from the Bank's operations in the U.S. and activities conducted internationally in this currency and from exposures to Latin American currencies.

Investment portfolio risks

The Bank holds investment portfolios to meet liquidity and statutory reserve requirements and for investment purposes. These portfolios expose the Bank to interest rate, foreign currency, credit spread and equity risks. Debt investments primarily consist of government, agency, and corporate

bonds. Equity investments include common and preferred shares, as well as a diversified portfolio of third-party managed funds. The majority of these securities are valued using prices obtained from external sources. These portfolios are controlled by a Board-approved policy and limits.

Trading market risk

The Bank's policies, processes and controls for trading activities are designed to achieve a balance between pursuing profitable trading opportunities and managing earnings volatility within a framework of sound and prudent practices. Trading activities are primarily customer focused.

The designation of an instrument as a trading instrument is determined by the Bank's Market Risk Management policies. OSFI' Capital Adequacy Requirements (CAR) guideline prescribes a list of instrument types which are presumed to be part of a Bank's trading portfolio. To assign these instruments to the banking book, certain criteria must be met including OSFI's approval.

The Bank's list of these instruments include equity positions which are outside of the trading business and primarily held for investment, membership in exchanges or to manage the stock-based compensation program. There are also fixed income positions which include positions held for liquidity or regulatory purposes, positions within Wealth Management and loans held as available for sale. As of October 31, 2024, the market value of the instruments mentioned above is $1,480 million in total.

There has been no case where instruments have been moved between the trading and banking book since the last reporting period.

Market risk arising from the Bank's trading activities is managed in accordance with Board-approved policies, and aggregate VaR and stress testing limits. The quality of the Bank's VaR is validated by regular backtesting analysis, in which the VaR is compared to both theoretical profit and loss results based on fixed end of day positions and actual reported profit and loss. A VaR at the 99% confidence interval is an indication of a 1% probability that losses will exceed the VaR if positions remain unchanged during the next business day. Trading positions are however managed dynamically and, as a result, actual profit/loss backtesting exceptions are uncommon. Aging reports are used to monitor the frequency of turnover of trading portfolio inventory.

Value at Risk (VaR) is a key measure of market risk in the Bank's trading activities. As a result of the implementation of the Fundamental Review of the Trading Book (FRTB) in Q1 2024, VaR, Stressed VaR (sVaR) and the Incremental Risk Charge (IRC) are no longer components of market risk capital. VaR remains a primary measure of market risk, with additional portfolios included in the calculation. Prior period has been revised to conform to the current calculation of VaR.

In fiscal 2024, the total VaR for trading activities averaged $14.9 million, compared to $16.4 million in 2023. The change was mainly driven by lower combined credit spread and interest rate risk as well as commodity exposure.

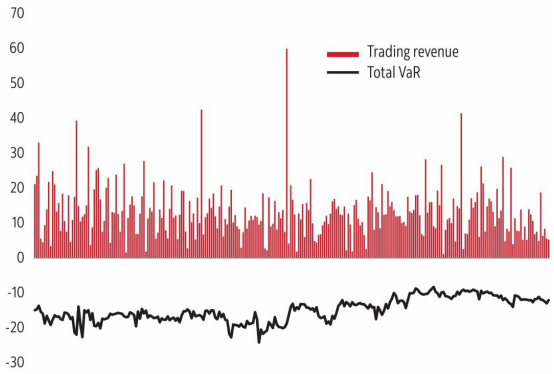
T51 Market risk measures

	2024				2023			
($ millions)	Year end	Avg	High	Low	Year end	Avg	High	Low
Credit Spread plus Interest Rate	**$ 12.5**	**$ 13.6**	**$ 34.3**	**$ 6.8**	$ 13.7	$ 14.6	$ 23.9	$ 9.3
Credit Spread	**7.3**	**8.4**	**13.6**	**5.9**	8.1	7.9	16.3	3.8
Interest Rate	**17.5**	**12.3**	**26.9**	**5.8**	15.2	13.1	19.8	7.4
Equities	**5.4**	**5.1**	**10.1**	**3.0**	4.9	4.1	7.8	2.5
Foreign Exchange	**2.9**	**3.2**	**9.4**	**1.1**	3.0	3.3	8.8	0.9
Commodities	**2.8**	**2.6**	**4.6**	**1.3**	2.9	4.7	8.1	2.3
Debt Specific	**3.6**	**3.4**	**4.8**	**2.3**	3.7	3.6	4.8	2.4
Diversification Effect	**(15.0)**	**(13.1)**	**n/a**	**n/a**	(11.0)	(13.9)	n/a	n/a
All-Bank VaR	**$ 12.1**	**$ 14.9**	**$ 24.2**	**$ 8.3**	$ 17.3	$ 16.4	$ 24.0	$ 11.9

Description of trading revenue components and graphical comparison of VaR to daily P&L

Chart C29 compares the daily trading revenue distribution to daily VaR results. Trading revenue includes changes in portfolio value as well as the impact of new trades, commissions, fees and reserves. Some components of revenue which are calculated less frequently are pro-rated. Trading revenue averaged $13.0 million per day, decreased from $13.4 million in 2023. Revenue was positive on 100% of trading days during the year, which was better than the level in 2023. The largest single-day trading revenue gain in 2024 was $59.9 million which occurred on April 30, 2024.

C29 Daily trading revenue vs. VaR
$ millions, November 1, 2023 to October 31, 2024



Credit valuation adjustment (CVA) risk

Credit Valuation Adjustment (CVA) is the difference between the risk free value of a portfolio and the true value of that portfolio, accounting for the possible default of a counterparty. The CVA adjustment aims to identify the impact of Counterparty Risk.

CVA risk management framework

The CVA risk management is part of the Bank's market risk management framework. The framework includes a market risk limit structure to control the level of risk taken by the Bank. This involves setting limits on various risk factors, such as interest rates, foreign exchange rates, and counterparty credit spreads. The Bank uses various tools to measure CVA risk, including stress testing and sensitivity analysis. Regular management reports are produced to monitor market risk exposure. These reports provide insights into the Bank's risk profile and help in making informed decisions.

Senior management role in the CVA risk management framework.

Senior management is actively involved in the risk control process. They oversee the implementation of policies and procedures to identify, measure, monitor, and control CVA risks. Updates to the CVA risk management framework are approved by senior management committees such as the Market Risk Management & Policy Committee (MRMPC) and the Senior Credit Committee (SCC). Material changes to policies and processes are reviewed and approved by senior executives. Senior management receives regular reports on CVA risk exposures and the effectiveness of hedging strategies. This continuous monitoring helps in making informed decisions and maintaining a robust risk management framework. Senior management ensures that adequate resources are allocated to CVA risk management. This includes staffing independent control units and providing the necessary tools and systems for effective risk management.

An overview of the governance of the CVA risk management framework

The CVA (Credit Valuation Adjustment) risk management framework is governed by the Bank's risk management policies which are designed to ensure effective oversight and control of market risk, including CVA risks. Regular risk reporting to senior management provides aggregate measures of risk for CVA and is used to ensure compliance with risk appetite, policies, limits, and guidelines. The framework includes independent control units responsible for maintaining the integrity and effectiveness of CVA risk management practices. These units operate separately from the lines of business to ensure unbiased oversight. Regular independent reviews are conducted to assess the effectiveness of the CVA risk management framework. These reviews help identify any gaps or areas for improvement and ensure that the framework remains robust and effective. The governance structure and Bank policies ensure that data acquisition for CVA calculation is independent of the lines of business. This independence is crucial for maintaining the accuracy and reliability of the data used in risk assessments.

Processes implemented to identify, measure, monitor and control CVA risks, including policies for hedging CVA risk and the processes for monitoring the continuing effectiveness of hedges

The Bank uses a variety of metrics and models to measure and control CVA risk exposures. These measurements are selected based on an assessment of the nature of risks of CVA. The principal measurement techniques are stress testing and sensitivity analysis.

To ensure compliance with policies and limits, CVA risk exposures are independently monitored on a continuing basis by Global Risk Management. They provide senior management, business units and the MRMPC with a series of reports on CVA risk exposures.

CVA risk is managed using a variety of hedging instruments, including derivatives and securities. These instruments are approved for trading by Global Risk Management and the effectiveness of hedging activity is captured through limits on net exposure to risk factors.

Market risk linkage to Consolidated Statement of Financial Position

Trading assets and liabilities are generally marked-to-market daily and included in trading risk measures and market risk capital. Derivatives captured under trading risk measures are related to market making and hedging of trading exposures. Commencing the first quarter of fiscal 2024, the Bank now calculates market risk capital based on the Standardized Approach under the new Fundamental Review of the Trading Book (FRTB) framework, including its Trading vs. Banking boundary requirements. Prior periods have not been restated. A comparison of Consolidated Statement of Financial Position items which are covered under the trading and non-trading risk measures is provided in the table below.

T52 Market risk linkage to Consolidated Statement of Financial Position of the Bank

		Market Risk Measure			
As at October 31, 2024 ($ millions)[1]	Consolidated Statement of Financial Position	Trading Risk	Non-trading risk	Not subject to market risk	Primary risk sensitivity of non-trading risk
Precious metals	**$ 2,540**	**$ 2,540**	**$ –**	**$ –**	**n/a**
Trading assets	**129,727**	**129,032**	**695**	**–**	**Interest rate, FX**
Derivative financial instruments	**44,379**	**39,736**	**4,643**	**–**	**Interest rate, FX, equity**
Investment securities	**152,832**	**–**	**152,832**	**–**	**Interest rate, FX, equity**
Loans	**760,829**	**–**	**760,829**	**–**	**Interest rate, FX**
Assets – other[2]	**321,720**	**448**	**–**	**321,272**	**n/a**
Total assets	**$ 1,412,027**	**$ 171,756**	**$ 918,999**	**$ 321,272**	
Deposits	**$ 943,849**	**$ –**	**$ 901,328**	**$ 42,521**	**Interest rate, FX, equity**
Financial instruments designated at fair value through profit or loss	**36,341**	**36,341**	**–**	**–**	**Interest rate, equity**
Obligations related to securities sold short	**35,042**	**35,042**	**–**	**–**	**n/a**
Derivative financial instruments	**51,260**	**45,652**	**5,608**	**–**	**Interest rate, FX, equity**
Trading liabilities[3]	**578**	**578**	**–**	**–**	**n/a**
Pension and other benefit liabilities	**1,587**	**–**	**1,587**	**–**	**Interest rate, credit spread, equity**
Liabilities – other[4]	**259,294**	**275**	**–**	**259,019**	**n/a**
Total liabilities	**$ 1,327,951**	**$ 117,888**	**$ 908,523**	**$ 301,540**	

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) Includes goodwill, intangibles, other assets and securities purchased under resale agreements and securities borrowed.
(3) Gold and silver certificates and bullion included in other liabilities.
(4) Includes obligations related to securities sold under repurchase agreements and securities lent and other liabilities.

		Market Risk Measure			
As at October 31, 2023 ($ millions)[1]	Consolidated Statement of Financial Position	Trading Risk	Non-trading risk	Not subject to market risk	Primary risk sensitivity of non-trading risk
Precious metals	$ 937	$ 937	$ –	$ –	n/a
Trading assets	117,868	117,719	149	–	Interest rate, FX
Derivative financial instruments	51,340	36,512	14,828	–	Interest rate, FX, equity
Investment securities	118,237	–	118,237	–	Interest rate, FX, equity
Loans	750,911	–	750,911	–	Interest rate, FX
Assets – other[2]	371,750	–	–	371,750	n/a
Total assets	$ 1,411,043	$ 155,168	$ 884,125	$ 371,750	
Deposits	$ 952,333	$ –	$ 908,649	$ 43,684	Interest rate, FX, equity
Financial instruments designated at fair value through profit or loss [3]	26,779	26,779	–	–	Interest rate, equity
Obligations related to securities sold short	36,403	36,403	–	–	n/a
Derivative financial instruments	58,660	36,018	22,642	–	Interest rate, FX, equity
Trading liabilities[4]	439	439	–	–	n/a
Pension and other benefit liabilities	1,524	–	1,524	–	Interest rate, credit spread, equity
Liabilities – other[5]	256,334	–	–	256,334	n/a
Total liabilities	$ 1,332,472	$ 99,639	$ 932,815	$ 300,018	

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) Includes goodwill, intangibles, other assets and securities purchased under resale agreements and securities borrowed.
(3) Prior period amounts have been revised to conform with current period presentation.
(4) Gold and silver certificates and bullion included in other liabilities.
(5) Includes obligations related to securities sold under repurchase agreements and securities lent and other liabilities.

Derivative instruments and structured transactions

Derivatives

The Bank uses derivatives to meet customer needs, generate revenues from trading activities, manage market and credit risks arising from its lending, and for funding and investment activities. The Bank uses several types of derivative products, including interest rate swaps, futures and options, to hedge interest rate risk exposure. Forward contracts, swaps and options are used to manage foreign currency risk exposures. Credit

exposures in its lending and investment books may be managed using credit default swaps. As a dealer, the Bank markets a range of derivatives to its customers, including interest rate, foreign exchange, equity, commodity and credit derivatives.

Market risk arising from derivatives transactions is subject to the control, reporting and analytical techniques noted above. Additional controls and analytical techniques are applied to address certain market-related risks that are unique to derivative products.

Structured transactions

Structured transactions are specialized transactions that may involve combinations of cash, other financial assets and derivatives designed to meet the specific risk management or financial requirements of customers. These transactions are carefully evaluated by the Bank to identify and address the credit, market, legal, tax, reputational and other risks, and are subject to a cross-functional review and sign-off by Trading Management, Global Risk Management, Taxation, Finance and Legal departments. Large structured transactions are also subject to review by senior risk management committees and evaluated in accordance with the procedures described below in Reputational Risk.

The market risk in these transactions is usually minimal, and returns are earned by providing structuring expertise and by taking credit risk. Once executed, structured transactions are subject to the same ongoing credit reviews and market risk analysis as other types of derivatives transactions. This review and analysis includes careful monitoring of the quality of the reference assets, and ongoing valuation of the derivatives and reference assets.

Liquidity Risk

Liquidity risk is the risk that the Bank is unable to meet its financial obligations in a timely manner at reasonable prices. Financial obligations include liabilities to depositors, payments due under derivative contracts, settlement of securities borrowing and repurchase transactions, and lending and investment commitments.

Effective liquidity risk management is essential to maintain the confidence of depositors and counterparties, manage the Bank's cost of funds and to support core business activities, even under adverse circumstances.

Liquidity risk is managed within the framework of policies and limits that are approved by the Board of Directors. The Board receives reports on risk exposures and performance against approved limits. The Asset-Liability Committee (ALCO) provides senior management oversight of liquidity risk.

The key elements of the liquidity risk framework are:

- Measurement and modeling – the Bank's liquidity model measures and forecasts cash inflows and outflows, including off-balance sheet cash flows on a daily basis. Risk is managed by a set of key limits over the maximum net cash outflow by currency over specified short-term horizons (cash gaps), a minimum level of core liquidity, and liquidity stress tests.
- Reporting – Global Risk Management provides independent oversight of all significant liquidity risks, supporting the ALCO with analysis, risk measurement, stress testing, monitoring and reporting.
- Stress testing – the Bank performs liquidity stress testing on a regular basis, to evaluate the effect of both industry-wide and Bank-specific disruptions on the Bank's liquidity position. Liquidity stress testing has many purposes including:
  - Helping the Bank understand the potential behavior of various on-balance sheet and off-balance sheet positions in circumstances of stress; and
  - Based on this knowledge, facilitating the development of risk mitigation and contingency plans.

  The Bank's liquidity stress tests consider the effect of changes in funding assumptions, depositor behavior and the market value of liquid assets. The Bank performs industry standard stress tests, the results of which are reviewed at senior levels of the organization and are considered in making liquidity management decisions.
- Contingency planning – the Bank maintains a liquidity contingency plan that specifies an approach for analyzing and responding to actual and potential liquidity events. The plan outlines an appropriate governance structure for the management and monitoring of liquidity events, processes for effective internal and external communication, and identifies potential counter measures to be considered at various stages of an event. A contingency plan is maintained both at the parent-level as well as for major subsidiaries.
- Funding diversification – the Bank actively manages the diversification of its deposit liabilities by source, type of depositor, instrument, term and geography.
- Core liquidity – the Bank maintains a pool of highly liquid, unencumbered assets that can be readily sold or pledged to secure borrowings under stressed market conditions or due to Bank-specific events. The Bank also maintains liquid assets to support its intra-day settlement obligations in payment, depository and clearing systems.

Liquid assets

Liquid assets are a key component of liquidity management and the Bank holds these types of assets in sufficient quantity to meet potential needs for liquidity management.

Liquid assets can be used to generate cash either through sale, repurchase transactions or other transactions where these assets can be used as collateral to generate cash, or by allowing the asset to mature. Liquid assets include deposits at central banks, deposits with financial institutions, call and other short-term loans, marketable securities, precious metals and securities received as collateral from securities financing and derivative transactions. Liquid assets do not include borrowing capacity from central bank facilities.

Marketable securities are securities traded in active markets, which can be converted to cash within a timeframe that is in accordance with the Bank's liquidity management framework. Assets are assessed considering a number of factors, including the expected time it would take to convert them to cash.

Marketable securities included in liquid assets are comprised of securities specifically held as a liquidity buffer or for asset liability management purposes; trading securities, which are primarily held by Global Banking and Markets; and collateral received for securities financing and derivative transactions.

The Bank maintains large holdings of unencumbered liquid assets to support its operations. These assets generally can be sold or pledged to meet the Bank's obligations. As at October 31, 2024, unencumbered liquid assets were $310 billion (October 31, 2023 – $319 billion). Securities, including National Housing Act (NHA) mortgage-backed securities, comprised 81% of liquid assets (October 31, 2023 – 73%). Other unencumbered liquid assets, comprising cash and deposits with central banks, deposits with financial institutions and precious metals, were 19% (October 31, 2023 – 27%). The decrease in total unencumbered liquid assets was primarily attributable to a decrease in cash and deposits with central banks, partly offset by an increase in NHA mortgage-backed securities, precious metals and other liquid securities.

The carrying values outlined in the liquid asset table are consistent with the carrying values in the Bank's Consolidated Statement of Financial Position as at October 31, 2024. The liquidity value of the portfolio will vary under different stress events as different assumptions are used for the stress scenarios.

The Bank's liquid asset pool is summarized in the following table:

T53 Liquid asset pool

As at October 31, 2024 ($ millions)	Bank-owned liquid assets	Securities received as collateral from securities financing and derivative transactions	Total liquid assets	Encumbered liquid assets: Pledged as collateral	Encumbered liquid assets: Other[1]	Unencumbered liquid assets: Available as collateral	Unencumbered liquid assets: Other
Cash and deposits with central banks	$ 55,976	$ –	$ 55,976	$ –	$ 5,991	$ 49,985	$ –
Deposits with financial institutions	7,884	–	7,884	–	82	7,802	–
Precious metals	2,540	–	2,540	–	–	2,540	–
Securities:							
Canadian government obligations	71,915	26,062	97,977	34,572	–	63,405	–
Foreign government obligations	121,072	129,991	251,063	126,371	–	124,692	–
Other securities	75,223	101,262	176,485	143,862	–	32,623	–
NHA mortgage-backed securities	35,546	–	35,546	6,584	–	28,962	–
Total	$ 370,156	$ 257,315	$ 627,471	$ 311,389	$ 6,073	$ 310,009	$ –

As at October 31, 2023 ($ millions)	Bank-owned liquid assets	Securities received as collateral from securities financing and derivative transactions	Total liquid assets	Encumbered liquid assets: Pledged as collateral	Encumbered liquid assets: Other[1]	Unencumbered liquid assets: Available as collateral	Unencumbered liquid assets: Other
Cash and deposits with central banks	$ 82,050	$ –	$ 82,050	$ –	$ 6,115	$ 75,935	$ –
Deposits with financial institutions	8,262	–	8,262	–	47	8,215	–
Precious metals	937	–	937	–	–	937	–
Securities:							
Canadian government obligations	57,007	42,922	99,929	34,342	–	65,587	–
Foreign government obligations	104,123	129,814	233,937	110,941	–	122,996	–
Other securities	60,961	103,437	164,398	144,627	–	19,771	–
NHA mortgage-backed securities	33,503	–	33,503	7,548	–	25,955	–
Total	$ 346,843	$ 276,173	$ 623,016	$ 297,458	$ 6,162	$ 319,396	$ –

(1) Assets which are restricted from being used to secure funding for legal or other reasons.

A summary of total unencumbered liquid assets held by the parent bank and its branches, and domestic and foreign subsidiaries, is presented below:

T54 Total unencumbered liquid assets held by the parent bank and its branches, and domestic and foreign subsidiaries

As at October 31 ($ millions)	2024	2023
The Bank of Nova Scotia (Parent)	$ 235,378	$ 237,501
Bank domestic subsidiaries	32,769	39,988
Bank foreign subsidiaries	41,862	41,907
Total	$ 310,009	$ 319,396

The Bank's liquidity pool is held across major currencies, mostly comprised of Canadian and U.S. dollar holdings. As shown above, the vast majority (86%) of liquid assets are held by the Bank's corporate office, branches of the Bank, and Canadian subsidiaries of the Bank. The Bank monitors and ensures compliance in relation to minimum levels of liquidity required and assets held within each entity, and/or jurisdiction. Potential regulatory restrictions on the transferability of liquid assets held in Bank foreign subsidiaries are taken into consideration in the Bank's liquidity management framework.

Encumbered assets

In the course of the Bank's day-to-day activities, securities and other assets are pledged to secure an obligation, participate in clearing or settlement systems, or operate in a foreign jurisdiction. Securities are also pledged under repurchase agreements. A summary of encumbered and unencumbered assets is presented below:

T55 Asset encumbrance

As at October 31, 2024 ($ millions)[1]	Bank-owned assets	Securities received as collateral from securities financing and derivative transactions	Total assets	Encumbered assets: Pledged as collateral	Encumbered assets: Other[2]	Unencumbered assets: Available as collateral[3]	Unencumbered assets: Other[4]
Cash and deposits with central banks	$ 55,976	$ –	$ 55,976	$ –	$ 5,991	$ 49,985	$ –
Deposits with financial institutions	7,884	–	7,884	–	82	7,802	–
Precious metals	2,540	–	2,540	–	–	2,540	–
Liquid securities:							
Canadian government obligations	71,915	26,062	97,977	34,572	–	63,405	–
Foreign government obligations	121,072	129,991	251,063	126,371	–	124,692	–
Other liquid securities	75,223	101,262	176,485	143,862	–	32,623	–
Other securities	4,534	10,677	15,211	4,415	–	–	10,796
Loans classified as liquid assets:							
NHA mortgage-backed securities	35,546	–	35,546	6,584	–	28,962	–
Other loans	732,932	–	732,932	6,642	79,812	17,173	629,305
Other financial assets[5]	249,058	(193,018)	56,040	13,148	–	–	42,892
Non-financial assets	55,347	–	55,347	–	–	–	55,347
Total	$ 1,412,027	$ 74,974	$ 1,487,001	$ 335,594	$ 85,885	$ 327,182	$ 738,340

As at October 31, 2023 ($ millions)[1]	Bank-owned assets	Securities received as collateral from securities financing and derivative transactions	Total assets	Encumbered assets: Pledged as collateral	Encumbered assets: Other[2]	Unencumbered assets: Available as collateral[3]	Unencumbered assets: Other[4]
Cash and deposits with central banks	$ 82,050	$ –	$ 82,050	$ –	$ 6,115	$ 75,935	$ –
Deposits with financial institutions	8,262	–	8,262	–	47	8,215	–
Precious metals	937	–	937	–	–	937	–
Liquid securities:							
Canadian government obligations	57,007	42,922	99,929	34,342	–	65,587	–
Foreign government obligations	104,123	129,814	233,937	110,941	–	122,996	–
Other liquid securities	60,961	103,437	164,398	144,627	–	19,771	–
Other securities	3,758	7,714	11,472	4,941	–	–	6,531
Loans classified as liquid assets:							
NHA mortgage-backed securities	33,503	–	33,503	7,548	–	25,955	–
Other loans	724,952	–	724,952	4,693	88,682	13,064	618,513
Other financial assets[5]	273,930	(185,713)	88,217	15,287	–	–	72,930
Non-financial assets	61,560	–	61,560	–	–	–	61,560
Total	$ 1,411,043	$ 98,174	$ 1,509,217	$ 322,379	$ 94,844	$ 332,460	$ 759,534

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) Assets which are restricted from being used to secure funding for legal or other reasons.
(3) Assets that are readily available in the normal course of business to secure funding or meet collateral needs including central bank borrowing immediately available.
(4) Other unencumbered assets are not subject to any restrictions on their use to secure funding or as collateral but the Bank would not consider them to be readily available. These include loans, a portion of which may be used to access central bank facilities outside of the normal course or to raise secured funding through the Bank's secured funding programs.
(5) Securities received as collateral against other financial assets are included within liquid securities and other securities.

As of October 31, 2024 total encumbered assets of the Bank were $421 billion (October 31, 2023 – $417 billion). Of the remaining $1,066 billion (October 31, 2023 – $1,092 billion) of unencumbered assets, $327 billion (October 31, 2023 – $332 billion) are considered readily available in the normal course of business to secure funding or meet collateral needs as detailed above.

In some over-the-counter derivative contracts, the Bank would be required to post additional collateral or receive less collateral in the event its credit rating was downgraded. The Bank maintains access to sufficient collateral to meet these obligations in the event of a downgrade of its ratings by one or more of the rating agencies. As at October 31, 2024 the potential adverse impact on derivatives collateral that would result from a one-notch or two-notch downgrade of the Bank's rating below its lowest current rating was $17 million or $1,230 million, respectively.

Encumbered liquid assets are not considered to be available for liquidity management purposes. Liquid assets which are used to hedge derivative positions in trading books or for hedging purposes are considered to be available for liquidity management provided they meet the criteria discussed in liquid assets above.

Liquidity coverage ratio

The Liquidity Coverage Ratio (LCR) measure is based on a 30-day liquidity stress scenario, with assumptions defined in the Liquidity Adequacy Requirements (LAR) Guideline issued by the Office of the Superintendent of Financial Institutions (OSFI). The LCR is calculated as the ratio of high quality liquid assets (HQLA) to net cash outflows. The Bank is subject to a regulatory minimum LCR of 100%.

HQLA are defined in the LAR Guideline and are grouped into three main categories with varying haircuts applied to arrive at the amount included in the total weighted value in the table that follows.

The total weighted values for net cash outflows for the next 30 days are derived by applying the assumptions specified in the LAR Guideline to specific items, including loans, deposits, maturing debt, derivative transactions and commitments to extend credit.

The following table presents the Bank's average LCR for the quarter ended October 31, 2024 based on the average daily position in the quarter.

T56 Bank's average LCR(1)

For the quarter ended October 31, 2024 ($ millions) (2)	Total unweighted value (Average)(3)	Total weighted value (Average)(4)
High-quality liquid assets		
Total high-quality liquid assets (HQLA)	*	**$ 261,820**
Cash outflows		
Retail deposits and deposits from small business customers, of which:	$ 243,477	$ 24,840
Stable deposits	100,986	3,246
Less stable deposits	142,492	21,594
Unsecured wholesale funding, of which:	296,528	126,887
Operational deposits (all counterparties) and deposits in networks of cooperative banks	114,881	27,720
Non-operational deposits (all counterparties)	169,414	86,934
Unsecured debt	12,233	12,233
Secured wholesale funding	*	64,556
Additional requirements, of which:	259,681	57,134
Outflows related to derivative exposures and other collateral requirements	38,803	20,732
Outflows related to loss of funding on debt products	6,260	6,260
Credit and liquidity facilities	214,618	30,142
Other contractual funding obligations	1,463	1,462
Other contingent funding obligations(5)	570,464	8,384
Total cash outflows	*	**$ 283,263**
Cash inflows		
Secured lending (e.g. reverse repos)	$ 295,509	$ 38,681
Inflows from fully performing exposures	34,775	20,439
Other cash inflows	23,757	23,757
Total cash inflows	**$ 354,041**	**$ 82,877**

		Total adjusted value(6)
Total HQLA	*	**$ 261,820**
Total net cash outflows	*	**$ 200,386**
Liquidity coverage ratio (%)	*	**131%**

For the quarter ended October 31, 2023 ($ millions)		Total adjusted value(6)
Total HQLA	*	$ 272,637
Total net cash outflows	*	$ 201,155
Liquidity coverage ratio (%)	*	136%

* Disclosure is not required under regulatory guideline.
(1) This measure has been disclosed in this document in accordance with OSFI Guideline – Public Disclosure Requirements for Domestic Systemically Important Banks on Liquidity Coverage Ratio (April 2015).
(2) Based on the average daily positions of the 62 business days in the quarter.
(3) Unweighted values represent outstanding balances maturing or callable within the next 30 days.
(4) Weighted values represent balances calculated after the application of HQLA haircuts or inflow and outflow rates, as prescribed by the LAR Guideline.
(5) Total unweighted value includes uncommitted credit and liquidity facilities, guarantees and letters of credit, outstanding debt securities with remaining maturity greater than 30 days, and other contractual cash outflows.
(6) Total adjusted value represents balances calculated after the application of both haircuts and inflow and outflow rates and any applicable caps.

HQLA is substantially comprised of Level 1 assets (as defined in the LAR Guideline), such as cash, deposits with central banks available to the Bank in times of stress, and highly rated securities issued or guaranteed by governments, central banks and supranational entities.

The decrease in the Bank's average LCR for the quarter ended October 31, 2024 versus the quarter ended October 31, 2023 was mainly attributable to lower HQLA. Net cash outflows were largely unchanged as an increase in outflows from securities borrowing/lending was offset by a decrease in outflows from unsecured wholesale funding. The Bank monitors its significant currency exposures, Canadian and U.S. dollars, in accordance with its liquidity risk management framework and risk appetite.

Net stable funding ratio

The Net Stable Funding Ratio (NSFR) requires institutions to maintain a stable funding profile in relation to the composition of their assets and off-balance sheet exposures. It is calculated as the ratio of available stable funding (ASF) to required stable funding (RSF), with assumptions defined in the LAR Guideline. The Bank is subject to a regulatory minimum NSFR of 100%.

ASF is defined as the portion of capital and liabilities expected to be reliable over the time horizons considered by the NSFR. RSF is a function of the liquidity characteristics and residual maturities of the various assets held by the Bank as well as those of its off-balance sheet exposures.

The total weighted values for ASF and RSF included in the table that follows are derived by applying the assumptions specified in the LAR Guideline to balance sheet items, including capital instruments, wholesale funding, deposits, loans and mortgages, securities, derivatives and off-balance sheet items such as commitments to extend credit.

The following table presents the Bank's NSFR as at October 31, 2024.

T57 Bank's NSFR(1)

As at October 31, 2024 *($ millions)*	Unweighted Value by Residual Maturity				Weighted value(3)
	No maturity(2)	< 6 months	6-12 months	≥ 1 year	
Available Stable Funding (ASF) Item					
Capital:	$ 91,355	$ –	$ –	$ –	$ 91,355
Regulatory capital	91,355	–	–	–	91,355
Other capital instruments	–	–	–	–	–
Retail deposits and deposits from small business customers:	209,876	86,761	40,921	42,951	345,833
Stable deposits	89,422	33,279	16,000	15,121	146,887
Less stable deposits	120,454	53,482	24,921	27,830	198,946
Wholesale funding:	202,320	345,793	50,303	137,994	322,099
Operational deposits	109,024	–	–	–	54,512
Other wholesale funding	93,296	345,793	50,303	137,994	267,587
Liabilities with matching interdependent assets	–	2,939	1,121	14,034	–
Other liabilities:	31,148		122,498		22,670
NSFR derivative liabilities			8,627		
All other liabilities and equity not included in the above categories	31,148	90,047	2,309	21,515	22,670
Total ASF					**$ 781,957**
Required Stable Funding (RSF) Item					
Total NSFR high-quality liquid assets (HQLA)					$ 20,531
Deposits held at other financial institutions for operational purposes	$ 2,318	$ –	$ –	$ –	$ 1,159
Performing loans and securities:	112,491	276,248	98,541	434,465	551,380
Performing loans to financial institutions secured by Level 1 HQLA	27	80,226	5,102	–	6,606
Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	2,296	85,116	9,898	14,955	31,686
Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	65,530	83,038	44,892	178,706	271,954
With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	–	25	761	2,717	2,159
Performing residential mortgages, of which:	22,709	26,791	37,637	233,995	215,662
With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	22,709	26,266	37,373	221,414	204,573
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	21,929	1,077	1,012	6,809	25,472
Assets with matching interdependent liabilities(4)	–	2,939	1,121	14,034	–
Other assets:	4,706		149,643		64,418
Physical traded commodities, including gold	4,706				4,000
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs			14,531		12,352
NSFR derivative assets			4,053		–
NSFR derivative liabilities before deduction of variation margin posted		23,620			1,181
All other assets not included in the above categories	–	60,554	–	46,885	46,885
Off-balance sheet items			506,389		19,259
Total RSF					**$ 656,747**
Net Stable Funding Ratio (%)					**119%**

(1) This measure has been disclosed in this document in accordance with the LAR Guideline – Net Stable Funding Ratio Disclosure Requirements (January 2021).
(2) Items in the "no maturity" time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities, and physical traded commodities.
(3) Weighted values represent balances calculated after the application of ASF and RSF rates, as prescribed by the LAR Guideline.
(4) Interdependent assets and liabilities are primarily comprised of transactions related to the Canada Mortgage Bond program.

As at October 31, 2023 *($ millions)*	Weighted value
Total ASF	$ 772,315
Total RSF	665,144
Net stable funding ratio (%)	116%

Available stable funding (ASF) is primarily provided by the Bank's large pool of retail, small business and corporate customer deposits; secured and unsecured wholesale funding and capital. Required stable funding (RSF) primarily originates from the Bank's loan and mortgage portfolio, securities holdings, off-balance sheet items and other assets.

The Bank's NSFR as at October 31, 2024 was higher than the previous year due to a combination of higher ASF and lower RSF. Higher ASF from retail deposits and deposits from small business customers were partly offset by lower ASF from wholesale funding. Lower RSF from performing loans were partly offset by higher RSF from high quality liquid assets and other assets.

Funding

The Bank ensures that its funding sources are well diversified. Funding concentrations are regularly monitored and analyzed by type. The sources of funding are capital, deposits from retail and commercial clients sourced through the Canadian and international branch network, deposits from financial institutions as well as wholesale debt issuances.

Capital and personal deposits are key components of the Bank's funding and these amounted to $398 billion as at October 31, 2024 (October 31, 2023 – $385 billion). The increase since October 31, 2023 is due to growth of $10 billion in personal deposits and common equity of $3 billion from earnings and the impact of the Shareholder Dividend and Share Purchase Plan. The Bank's funding is also comprised of commercial deposits, particularly those of an operating or relationship nature. Capital and customer deposit based funding is augmented by wholesale debt issuances, the longer term (original maturity over 1 year) portion of which amounts to $206 billion (October 31, 2023 – $216 billion). Longer term wholesale debt issuances include senior notes, mortgage securitizations, asset-backed securities and covered bonds.

The Bank operates in many different currencies and countries. From a funding perspective, the most significant currencies are Canadian and U.S. dollars. With respect to the Bank's operations outside Canada, there are different funding strategies depending on the nature of the activities in each country. For those countries where the Bank operates a branch banking subsidiary, the strategy is for the subsidiary to be substantially self-funding in its local market. For other subsidiaries or branches outside Canada where local deposit gathering capability is not sufficient, funding is provided through the wholesale funding activities of the Bank.

From an overall funding perspective, the Bank's objective is to achieve an appropriate balance between the cost and the stability of funding. Diversification of funding sources is a key element of the funding strategy.

The Bank's wholesale debt diversification strategy is primarily executed via the Bank's main wholesale funding centres, located in Toronto, New York, London and Singapore. The majority of these funds are sourced in Canadian and U.S. dollars. Where required, these funds are swapped to fund assets in different currencies. The funding strategy deployed by wholesale funding centres and the management of associated risks, such as geographic and currency risk, are managed centrally within the framework of policies and limits that are approved by the Board of Directors.

In the normal course, the Bank uses a mix of unsecured and secured wholesale funding instruments across a variety of markets. The choice of instruments and markets is based on a number of factors, including relative cost, market capacity and diversification of funding. Market conditions can change over time, impacting cost and capacity in particular markets or instruments. Changing market conditions can include periods of stress where the availability of funding in particular markets or instruments is constrained. In these circumstances, the Bank would increase its focus on sources of funding in functioning markets and secured funding instruments. Should a period of extreme stress exist such that all wholesale funding sources are constrained, the Bank maintains a pool of liquid assets to mitigate its liquidity risk. This pool includes cash, deposits with central banks and securities.

In Canada, the Bank raises short and longer-term wholesale debt through the issuance of senior unsecured notes. Additional longer-term wholesale debt may be generated through the Bank's Canadian Debt and Equity Shelf, the securitization of Canadian insured residential mortgages through CMHC programs (such as Canada Mortgage Bonds), uninsured residential mortgages through the Bank's Covered Bond Program, retail credit card receivables through the Trillium Credit Card Trust II program, retail indirect auto loan receivables through the Securitized Term Auto Receivables Trust program and unsecured personal lines of credit through the Halifax Receivables Trust program. CMHC securitization programs, while included in the Bank's view of wholesale debt issuance, do not entail the run-off risk that can be experienced in funding raised from capital markets.

Outside of Canada, short-term wholesale debt may be raised through the issuance of negotiable certificates of deposit in the United States, Hong Kong, the United Kingdom, and Australia and the issuance of commercial paper in the United States. The Bank operates longer-term wholesale debt issuance registered programs in the United States, such as its SEC Registered Debt and Equity Shelf, and non-registered programs, such as the securitization of retail indirect auto loan receivables through the Securitized Term Auto Receivables Trust program and retail credit card receivables through the Trillium Credit Card Trust II program. The Bank may issue its Covered Bond Program (listed with the U.K. Listing Authority and the Swiss Stock Exchange), in Europe, the United Kingdom, the United States, Australia and Switzerland. The Bank also raises longer-term funding across a variety of currencies through its Australian Medium Term Note Programme, European Medium Term Note Programme (listed with the U.K. Listing Authority and the Swiss Stock Exchange) and Singapore Medium Term Note Programme (listed with the Singapore Exchange and the Taiwan Exchange).

The Department of Finance's bail-in regulations under the Canada Deposit Insurance Corporation (CDIC) Act and the Bank Act, became effective September 23, 2018. Senior long-term debt issued by the Bank on or after September 23, 2018, that has an original term greater than 400 days and is marketable, subject to certain exceptions, is subject to the Canadian Bank Recapitalization (Bail-in) regime. Under the Bail-in regime, in circumstances when the Superintendent of Financial Institutions has determined that a bank may no longer be viable, the Governor in Council may, upon a recommendation of the Minister of Finance that they are of the opinion that it is in the public interest to do so, grant an order directing the CDIC to convert all or a portion of certain shares and liabilities of that bank into common shares.

The table below provides the remaining contractual maturities of funding raised through wholesale funding. In the Consolidated Statement of Financial Position, these liabilities are primarily included in Business & Government Deposits.

T58 Wholesale funding(1)

As at October 31, 2024 ($ millions)	Less than 1 month	1-3 months	3-6 months	6-9 months	9-12 months	Sub-Total < 1 Year	1-2 years	2-5 years	>5 years	Total
Deposits from banks(2)	$ 3,858	$ 1,455	$ 455	$ 318	$ 158	$ 6,244	$ –	$ –	$ –	$ 6,244
Bearer deposit notes, commercial paper and certificate of deposits	6,612	12,754	17,407	12,087	8,307	57,167	1,251	269	182	58,869
Asset-backed commercial paper(3)	2,248	5,831	2,435	139	–	10,653	–	–	–	10,653
Senior notes(4)(5)	2,073	88	2,200	2,613	794	7,768	2,949	7,934	12,337	30,988
Bail-inable notes(5)	243	5,699	6,429	6,613	1,682	20,666	16,714	29,520	17,945	84,845
Asset-backed securities	–	1	–	–	908	909	1,218	770	844	3,741
Covered bonds	–	1,515	4,983	2,088	916	9,502	16,039	17,251	4,143	46,935
Mortgage securitization(6)	–	650	1,710	887	235	3,482	3,061	7,099	3,844	17,486
Subordinated debentures(7)	–	47	–	280	–	327	1,788	201	7,430	9,746
Total wholesale funding sources	$ 15,034	$ 28,040	$ 35,619	$ 25,025	$ 13,000	$ 116,718	$ 43,020	$ 63,044	$ 46,725	$ 269,507
Of Which:										
Unsecured funding	$ 12,786	$ 20,042	$ 26,492	$ 21,911	$ 10,941	$ 92,172	$ 22,702	$ 37,924	$ 37,894	$ 190,692
Secured funding	2,248	7,998	9,127	3,114	2,059	24,546	20,318	25,120	8,831	78,815

As at October 31, 2023 ($ millions)	Less than 1 month	1-3 months	3-6 months	6-9 months	9-12 months	Sub-Total < 1 Year	1-2 years	2-5 years	>5 years	Total
Deposits from banks(2)	$ 2,363	$ 1,197	$ 129	$ 693	$ 450	$ 4,832	$ 415	$ –	$ –	$ 5,247
Bearer deposit notes, commercial paper and certificate of deposits	12,026	15,304	20,407	17,064	7,060	71,861	1,739	268	79	73,947
Asset-backed commercial paper(3)	4,532	3,998	2,655	1,397	–	12,582	–	–	–	12,582
Senior notes(4)(5)	176	3,034	4,047	7,740	1,392	16,389	2,250	8,651	11,593	38,883
Bail-inable notes(5)	–	613	9,450	2,288	1,889	14,240	20,462	26,063	15,204	75,969
Asset-backed securities	–	1	–	–	–	1	910	1,387	851	3,149
Covered bonds	–	1,834	–	–	2,935	4,769	9,163	29,892	5,976	49,800
Mortgage securitization(6)	–	953	548	1,751	811	4,063	3,627	7,851	4,268	19,809
Subordinated debentures(7)	–	–	2	–	–	2	336	1,976	9,322	11,636
Total wholesale funding sources	$ 19,097	$ 26,934	$ 37,238	$ 30,933	$ 14,537	$ 128,739	$ 38,902	$ 76,088	$ 47,293	$ 291,022
Of Which:										
Unsecured funding	$ 14,566	$ 20,148	$ 34,034	$ 27,784	$ 10,792	$ 107,324	$ 25,201	$ 36,959	$ 36,198	$ 205,682
Secured funding	4,531	6,786	3,204	3,149	3,745	21,415	13,701	39,129	11,095	85,340

(1) Wholesale funding sources exclude obligations related to securities sold under repurchase agreements and bankers' acceptances, which are disclosed in the contractual maturities table below. Amounts are based on remaining term to maturity.
(2) Only includes commercial bank deposits.
(3) Wholesale funding sources also exclude asset-backed commercial paper (ABCP) issued by certain ABCP conduits that are not consolidated for financial reporting purposes.
(4) Not subject to bail-in.
(5) Includes structured notes issued to institutional investors.
(6) Represents residential mortgages funded through Canadian Federal Government agency sponsored programs. Funding accessed through such programs does not impact the funding capacity of the Bank in its own name.
(7) Although subordinated debentures are a component of regulatory capital, they are included in this table in accordance with EDTF recommended disclosures.

Wholesale funding generally bears a higher risk of run-off in a stressed environment than other sources of funding. The Bank mitigates this risk through funding diversification, ongoing engagement with investors and by maintaining a large holding of unencumbered liquid assets. Unencumbered liquid assets of $310 billion as at October 31, 2024 (October 31, 2023 – $319 billion) were well in excess of wholesale funding sources that mature in the next twelve months.

Contractual maturities and obligations

The table below provides the maturity of assets and liabilities as well as the off-balance sheet commitments as at October 31, 2024, based on the contractual maturity date.

From a liquidity risk perspective the Bank considers factors other than contractual maturity in the assessment of liquid assets or in determining expected future cash flows. In particular, for securities with a fixed maturity date, the ability and time horizon to raise cash from these securities is more relevant to liquidity management than contractual maturity. For other assets and deposits the Bank uses assumptions about rollover rates to assess liquidity risk for normal course and stress scenarios. Similarly, the Bank uses assumptions to assess the potential drawdown of credit commitments in various scenarios.

The Bank's contractual obligations include contracts and purchase obligations, including agreements to purchase goods and services that are enforceable, legally binding on the Bank and affect the Bank's liquidity and capital resource needs. The Bank leases a large number of its branches, offices and other locations. The majority of these leases are for a term of five years, with options to renew.

T59 Contractual maturities

($ millions)	Less than one month	One to three months	Three to six months	Six to nine months	Nine to twelve months	One to two years	Two to five years	Over five years	No specific maturity	Total
	As at October 31, 2024[1]									
Assets										
Cash and deposits with financial institutions and precious metals	$ 59,871	$ 600	$ 100	$ 45	$ 53	$ 152	$ 272	$ 221	$ 5,086	$ 66,400
Trading assets	2,183	3,233	3,782	3,925	3,620	8,484	21,126	22,003	61,371	129,727
Securities purchased under resale agreements and securities borrowed	165,155	19,828	10,573	1,722	2,569	–	696	–	–	200,543
Derivative financial instruments	3,545	5,929	3,118	2,584	1,844	6,774	9,718	10,867	–	44,379
Investment securities – FVOCI	3,404	7,194	6,525	4,316	3,825	19,546	46,178	27,238	3,162	121,388
Investment securities – amortized cost	16	919	706	1,136	994	1,860	4,935	18,846	–	29,412
Investment securities – FVTPL	2	–	–	–	–	–	26	–	2,004	2,032
Loans	40,996	43,071	49,443	52,476	48,186	163,815	242,835	55,047	64,960	760,829
Residential mortgages	5,215	9,719	17,163	19,002	21,784	97,508	135,961	40,720	3,869[2]	350,941
Personal loans	3,499	3,470	3,379	4,807	3,598	12,012	25,695	6,582	43,337	106,379
Credit cards	–	–	–	–	–	–	–	–	17,374	17,374
Business and government	32,282	29,882	28,901	28,667	22,804	54,295	81,179	7,745	6,916[3]	292,671
Allowance for credit losses	–	–	–	–	–	–	–	–	(6,536)	(6,536)
Customers' liabilities under acceptances	39	57	36	10	6	–	–	–	–	148
Other assets	–	–	–	–	–	–	–	–	57,169	57,169
Total assets	275,211	80,831	74,283	66,214	61,097	200,631	325,786	134,222	193,752	1,412,027
Liabilities and equity										
Deposits	$ 88,575	$ 77,322	$ 68,891	$ 57,925	$ 43,415	$ 64,530	$ 76,309	$ 24,977	$ 441,905	$ 943,849
Personal	16,273	23,956	24,000	22,746	19,827	19,423	12,430	138	160,028	298,821
Non-personal	72,302	53,366	44,891	35,179	23,588	45,107	63,879	24,839	281,877	645,028
Financial instruments designated at fair value through profit or loss	510	1,045	2,132	1,609	1,833	5,330	8,887	14,995	–	36,341
Acceptances	40	57	36	10	6	–	–	–	–	149
Obligations related to securities sold short	272	1,988	1,120	1,803	816	3,638	7,114	9,413	8,878	35,042
Derivative financial instruments	2,754	4,595	2,429	2,301	1,857	7,647	11,705	17,972	–	51,260
Obligations related to securities sold under repurchase agreements and securities lent	186,240	3,427	93	437	44	208	–	–	–	190,449
Subordinated debentures	–	–	–	251	–	1,740	–	5,842	–	7,833
Other liabilities	533	759	1,285	1,267	979	3,142	6,860	8,954	39,249	63,028
Total equity	–	–	–	–	–	–	–	–	84,076	84,076
Total liabilities and equity	278,924	89,193	75,986	65,603	48,950	86,235	110,875	82,153	574,108	1,412,027
Off-Balance sheet commitments										
Credit commitments[4]	$ 1,538	$ 9,568	$ 15,403	$ 18,291	$ 12,075	$ 58,806	$ 144,972	$ 8,818	$ –	$ 269,471
Guarantees and letters of credit [5]	–	–	–	–	–	–	–	–	64,016	64,016
Outsourcing obligations[6]	12	23	7	7	7	29	56	13	–	154

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) Includes primarily impaired mortgages.
(3) Includes primarily overdrafts and impaired loans.
(4) Includes the undrawn component of committed credit and liquidity facilities.
(5) Includes outstanding balances of guarantees, standby letters of credit and commercial letters of credit which may expire undrawn.
(6) The Bank relies on outsourcing arrangements for certain support and/or business functions, including, but not limited to, computer operations and cheque and bill payment processing.

T59 Contractual maturities

($ millions)	Less than one month	One to three months	Three to six months	Six to nine months	Nine to twelve months	One to two years	Two to five years	Over five years	No specific maturity	Total
	As at October 31, 2023 (1)									
Assets										
Cash and deposits with financial institutions and precious metals	$ 85,337	$ 383	$ 50	$ 45	$ 47	$ 132	$ 246	$ 199	$ 4,810	$ 91,249
Trading assets	2,822	6,336	7,434	2,798	3,687	8,878	18,512	16,942	50,459	117,868
Securities purchased under resale agreements and securities borrowed	174,243	11,632	8,185	3,247	2,018	–	–	–	–	199,325
Derivative financial instruments	3,403	5,590	3,641	2,772	2,238	7,917	12,495	13,284	–	51,340
Investment securities – FVOCI	2,679	6,299	8,095	4,006	4,718	9,754	30,602	15,997	2,164	84,314
Investment securities – amortized cost	291	560	754	1,063	826	2,937	5,217	20,336	–	31,984
Investment securities – FVTPL	–	–	–	–	–	–	51	–	1,888	1,939
Loans	61,791	38,905	39,256	39,951	35,611	132,128	291,332	52,390	59,547	750,911
Residential mortgages	3,722	6,362	10,961	12,478	14,087	70,902	183,644	39,776	2,250(2)	344,182
Personal loans	3,594	2,538	4,168	4,398	3,581	13,419	24,456	6,782	41,234	104,170
Credit cards	–	–	–	–	–	–	–	–	17,109	17,109
Business and government	54,475	30,005	24,127	23,075	17,943	47,807	83,232	5,832	5,326(3)	291,822
Allowance for credit losses	–	–	–	–	–	–	–	–	(6,372)	(6,372)
Customers' liabilities under acceptances	15,243	3,307	73	5	–	–	–	–	–	18,628
Other assets	–	–	–	–	–	–	–	–	63,485	63,485
Total assets	345,809	73,012	67,488	53,887	49,145	161,746	358,455	119,148	182,353	1,411,043
Liabilities and equity										
Deposits	$ 109,973	$ 65,320	$ 70,697	$ 58,361	$ 46,318	$ 68,912	$ 86,716	$ 27,160	$ 418,876	$ 952,333
Personal	18,320	16,379	18,241	13,690	16,668	25,987	15,199	828	163,305	288,617
Non-personal	91,653	48,941	52,456	44,671	29,650	42,925	71,517	26,332	255,571	663,716
Financial instruments designated at fair value through profit or loss	385	696	1,333	1,084	1,361	6,979	4,045	10,896	–	26,779
Acceptances	15,333	3,307	73	5	–	–	–	–	–	18,718
Obligations related to securities sold short	312	2,039	2,216	1,016	2,032	2,915	6,827	7,503	11,543	36,403
Derivative financial instruments	2,542	4,561	2,866	2,328	1,983	8,440	14,489	21,451	–	58,660
Obligations related to securities sold under repurchase agreements and securities lent	157,525	821	1,661	–	–	–	–	–	–	160,007
Subordinated debentures	–	–	–	–	–	252	1,714	7,727	–	9,693
Other liabilities	530	1,809	1,309	1,248	1,556	7,642	6,021	8,021	41,743	69,879
Total equity	–	–	–	–	–	–	–	–	78,571	78,571
Total liabilities and equity	286,600	78,553	80,155	64,042	53,250	95,140	119,812	82,758	550,733	1,411,043
Off-Balance sheet commitments										
Credit commitments(4)	$ 7,709	$ 8,558	$ 22,634	$ 17,905	$ 19,784	$ 47,035	$ 150,573	$ 11,571	$ –	$ 285,769
Guarantees and letters of credit (5)	–	–	–	–	–	–	–	–	49,112	49,112
Outsourcing obligations(6)	18	35	52	52	52	39	33	24	–	305

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) Includes primarily impaired mortgages.
(3) Includes primarily overdrafts and impaired loans.
(4) Includes the undrawn component of committed credit and liquidity facilities.
(5) Includes outstanding balances of guarantees, standby letters of credit and commercial letters of credit which may expire undrawn.
(6) The Bank relies on outsourcing arrangements for certain support and/or business functions, including, but not limited to, computer operations and cheque and bill payment processing.

Principal Risks – Non-Financial

Money Laundering, Terrorist Financing and Sanctions Risk

Money Laundering / Terrorist Financing (ML/TF) and Sanctions risks are the susceptibility of Scotiabank to be used by individuals or organizations to launder the proceeds of crime, finance terrorism, or violate economic sanctions. It also includes the risk that Scotiabank does not comply with applicable Anti-Money Laundering (AML)/Anti-Terrorist Financing (ATF) or Sanctions legislation or does not apply adequate controls reasonably designed to deter and detect ML/TF and sanctions violations or to file required regulatory reports.

Money laundering, terrorist financing and sanctions risks are managed throughout the Bank via the operation of the Bank's AML/ATF and Sanctions Program ("the AML/ATF Program"). The Group Chief Anti-Money Laundering Officer is responsible for the AML/ATF Program, which includes the development and application of compliance policies, procedures, the assessment of money laundering, terrorist-financing and sanctions risks, and the maintenance of an ongoing training program. The effectiveness of the AML/ATF and Sanctions Program is subject to regular review and independent assessment conducted by the Audit Department. Global Compliance & AML establishes enterprise standards to assess clients for money laundering, terrorist financing and sanctions risk.

The Bank conducts an enterprise-wide annual self-assessment of the money laundering/terrorist financing (ML/TF) and sanctions risks inherent in its business units, as well as an assessment of the control measures in place to manage those risks. The process is led by Global Compliance & AML, the results of which are shared with the Bank's senior management. All active employees are provided with mandatory AML/ATF and Sanctions training on an annual basis. The Bank performs Client Due Diligence sufficient to form a reasonable belief that it knows the true identity of its clients, including in the case of an entity, its material ultimate beneficial owners.

The Bank will not maintain anonymous accounts, nor will it maintain accounts for shell banks. Consistent with a risk-based approach, the Bank assesses the risks of its clients and, where appropriate, conducts enhanced due diligence on those who are considered higher risk. The Bank also conducts ongoing risk tailored monitoring of its clients to detect and report suspicious transactions and activity, and conducts client and transaction screening against terrorist, sanctions, and other designated watch-lists.

Operational Risk

Operational risk is the risk of loss resulting from people, inadequate processes and systems, or from external events. Operational risk includes third party risk, fraud risk and legal risk. It exists in some form in each of the Bank's business and support activities, and third parties with whom the Bank has entered a business or strategic arrangement for outsourcing activities, the provision of products or services, or other benefits. It can result in financial loss, regulatory sanctions and damage to the Bank's reputation. Operational risk management refers to the discipline of systematic identification, assessment, measurement, mitigation, monitoring, and reporting of operational risk.

The Bank's Operational Risk Management Framework (ORMF) outlines a structured approach for the effective management of enterprise-wide operational risk in a manner consistent with best practices and regulatory requirements. The ORMF is supplemented by additional policies, processes, standards and methodologies. The ORMF supports the governance and management of all other non-financial risks. The Framework is approved by the Bank's Operational Risk Committee and addresses program governance, risk culture and risk appetite along with the following key program components:

Risk Identification and Assessment

Risk identification and assessment is a critical part of effectively managing operational risk. Risks are identified, classified and assessed. Their potential impact is evaluated and reported to management and the Board. Operational risk management tools and programs are in place to support the identification and assessment of operational risk with each having their defined methodology and/or standards. The key tools include Risk and Control Self-Assessment (RCSA), Scenario Analysis, and New Initiatives Risk Assessment (NIRA).

Risk Measurement

A key component of risk management is quantifying the size and scope of the Bank's operational risk exposure. The collection and analysis of operational risk event data and operational risk capital values provide meaningful information to measure operational risk. The data provides meaningful information for assessing and mitigating operational risk exposure at the Bank as a result of event root cause analysis and evaluation of internal controls. Timely, accurate and complete reporting of internal operational risk events, and their analyses, ensures that the Bank maintains a strong risk culture, promotes transparency, and enables the following:

- Monitoring risk exposure, and to assess if the Bank is operating within risk appetite.
- Contributes to the assessment of the effectiveness of the operational control environment.
- Causal analysis to identify deficiencies and control failures that can be mitigated to prevent recurrence of future events.
- Compliance with Basel III Standardized Approach (SA) requirements for the calculation of operational risk capital.

Operational Risk Capital refers to regulatory and internal capital which is quantified as a reserve for unexpected losses resulting from operational risk. Operational risk capital is a component of the total amount of risk capital that the Bank holds. Loss data from OREs are collected in the Bank's Operational Risk Management System (OpenPages) and used for reporting purposes. When combined with Business Indicator Component (BIC)[1] data, the loss data captured from OREs is a critical input for the calculation of the Bank's Internal Loss Multiplier (ILM)[2], which is included in the operational risk regulatory capital calculation.

Risk Mitigation and Control

Operational risk response decisions include mitigation, transfer, acceptance, and avoidance of operational risks. The appropriate response will be determined based on consideration of the nature of the risks, their potential impacts and the consideration of the Bank's Code of Conduct and risk appetite thresholds. Through the Bank's operational risk management tools, issues such as deficiencies in the design or operating effectiveness of a control may be identified. When issues are identified, action plans can be developed to address them, or, where appropriate, the risk associated with these issues can be accepted. Action plans are managed by action owners to ensure the detailed plans are executed timely and effectively.

1 Business Indicator Component (BIC) is calculated by multiplying the Business Indicator (BI) by set of regulatory determined marginal coefficients. The BI is a financial statement-based proxy for operational risk.
2 Internal Loss Multiplier (ILM) is a scaling factor that is based on an institution's average historical losses and the BIC.

Controls are identified and assessed through the various Operational Risk Management tools. In cases where controls are deemed deficient a response will be required which will in turn help to mitigate residual risk.

Risk Monitoring, Analytics, and Reporting

The Bank has processes in place for the ongoing monitoring of operational risk. These monitoring activities can provide an early warning of emerging issues, triggering timely management response. In addition, these activities allow for review and analysis of the risk profile in relation to risk appetite or other key indicators to identify when potential risk events may be approaching or exceeding thresholds, requiring action and/or escalation. Operational risk data is collected in risk systems and used for reporting. Operational risk reporting facilitates distribution and escalation of operational risk information to the relevant parties, including the Operational Risk Committee, as well as senior management and the Board via the Enterprise Risk Management report. It provides stakeholders involved in operational risk management activities access to reliable data in a consistent and timely manner to support risk-based decision making.

Cyber Security and Information Technology (IT) Risk

Cyber Security Risk is the risk of loss of confidentiality, integrity, or availability of information, data, or information systems and reflect the potential adverse impacts to organizational operations (i.e., mission, functions, image, or reputation) and assets, customers, and other stakeholders. Information Technology Risk is the risk of financial loss, disruption or damage to reputation from a failure of information technology systems.

The Cyber Security and IT risk landscape continues to evolve across the financial industry. The increasing use of digital delivery channels to deliver financial services exposes the Bank to various vectors of attack. Threat actors, including individuals, organized crime rings and nation state sponsored entities, continue to target financial institutions to steal data, money or to disrupt operations. These events can adversely impact the Bank's operational environment, our customers and other third parties.

The Board of Directors approves the Information Technology and Information Security Risk Summary Framework, which along with its respective policies and other frameworks are focused on safeguarding the Bank and its customers' information, ensuring the Bank's IT environment is secure and resilient in support of our business objectives. The Bank continues to expand its cyber security capabilities to defend against potential threats and minimize impact to the business.

Compliance Risk

Compliance Risk is the risk of an activity not being conducted in conformity with applicable laws, rules, regulations, and prescribed practices ("regulatory requirements"), and compliance-related internal policies and procedures and ethical standards expected by regulators, customers, investors, employees and other stakeholders. Compliance Risk includes Regulatory Compliance Risk, Conduct Risk, and Privacy Risk.

Regulatory compliance risk: the risk that business activity may not be conducted in conformity with all applicable regulatory requirements wherever the Bank does business.

Conduct Risk: an aggregation of risks arising from actions or behaviours of the Bank's officers, directors, employees, or the conduct of the Bank's business (directly or indirectly), not in conformity with the Bank's values or principles for ethical conduct and which has, or has the potential to have, an adverse impact on the Bank, the Bank's customers or employees, or integrity of the financial markets in which the Bank operates.

Privacy Risk: the risk that arises from contraventions of applicable privacy laws, regulations, standards, and regulatory expectations; ethical or operational standards set out in the Scotiabank Code of Conduct (our 'Code'), or other Bank policies, procedures, manuals, guidelines; and/or employees' responsibility to respectfully treat the Personally Identifiable Information (PII) of the Bank's customers, employees, and other stakeholders.

The Board approves the Compliance Risk Summary Framework which provides an overview of the key governance components, responsibilities and programs which support the Bank in effectively managing Compliance Risk as a part of the Bank's Compliance Program. The Bank is required to comply with E-13 guidelines as set out by the Office of the Superintendent of Financial Institution (OSFI) with respect to the management of regulatory compliance risk. Regulatory compliance management at the Bank is governed by the Compliance Management Framework (CMF). The primary objective of the Bank's CMF is to provide assurance that the Bank's business activities are being conducted in a manner compliant with all applicable regulations in the Bank's countries of operations and in line with the Bank's risk appetite.

Environmental, Social and Governance Risk

ESG Risk is the risk that an environmental (including climate risk), social, or governance event, or condition, which if occurs could cause an actual or potential negative impact to the Bank.

The Bank considers Environmental Risk to be the potential adverse impacts to the Bank because of climate change and/or damage to the natural environment or biodiversity, such as land, water, plants, natural resources, ecosystems, and the atmosphere. The physical and transition risks associated with climate change are a component of Environmental Risk.

Social Risk is the risk of potential adverse impacts to the Bank that can arise due to the mismanagement of social considerations that can cause actual or perceived negative impacts on people and communities. Social considerations include, but are not limited to, human rights (including human trafficking and modern slavery); Indigenous rights; labour standards and working conditions; diversity, equity, and inclusion; accessibility; community health, safety, and security; disadvantaged and vulnerable groups; cultural property and heritage; and land acquisition and involuntary resettlement.

Corporate governance refers to the oversight mechanisms and the way in which the Bank is governed. It encompasses the Bank's policies and processes, how decisions are made, and how it deals with the various interests of, and relationships with, its many stakeholders, including shareholders, customers, employees, regulators, and the broader community. Governance Risk is the risk of potential adverse impacts to the Bank stemming from poor or ineffective corporate governance mechanisms and controls.

Governance

Board Oversight

The Board of Directors and its committees provide oversight of ESG Risk to ensure alignment with the Bank's strategies and risk appetite. It also approves key risk policies, frameworks and limits. The following Board committees provide ongoing oversight:

- *Risk Committee*: Retains oversight of ESG Risks, including climate-related risks, and periodically reviews and approves the Bank's key risk management policies, frameworks, and limits to ensure that management is operating within the Bank's Enterprise Risk Appetite Framework.

- *Corporate Governance Committee*: Evaluates the Bank's environmental and social performance and assesses best practices for ESG disclosure; examines current and emerging ESG topics, considers their implications on the Bank's strategy and reviews the Bank's annual ESG Report; and acts in an advisory capacity through a continuing assessment of the Bank's approach to corporate governance and makes policy recommendations, including on topics such as human rights.
- *Audit & Conduct Review Committee*: Oversees climate-related disclosure as part of the Bank's financial reporting, sets standards of conduct for ethical behaviour and oversees conduct risk management, and consumer protection.
- *Human Capital & Compensation Committee*: Oversees human capital and compensation strategies related to diversity, equity and inclusion, employee health, safety, and well-being and other ESG policies and practices.

Management's Role
The Board of Directors is supported by the President and Chief Executive Officer (CEO) and Chief Risk Officer (CRO). The CRO has delegated their authority over the oversight of ESG risk to the Operational Risk Committee (ORC). The ORC provides effective oversight and challenge of the Bank's management of environmental and social risks. Its responsibilities include monitoring of the ESG risk profile, reviewing and approving ESG Risk frameworks, policies, risk appetite statements and limits.

The Bank actively monitors policy and legislative requirements through ongoing dialogue with government, industry, and stakeholders in the countries where it operates. Scotiabank regularly meets with various external stakeholders, including industry associations, with respect to roles that banks can play on ESG related issues and to share best practices.

Risk Management
The Bank's approach for the effective management of ESG risk is governed by our ESG Risk Management Framework in a manner consistent with the Enterprise-wide Risk Management Framework. The ESG Risk Management Framework describes the guiding principles, program elements, and roles and responsibilities relating to the Bank's management of ESG risk and establishes the minimum requirements for the integration of ESG risk considerations into the decision-making processes across other risk types and business strategies, activities and internal operations. This framework assists the Bank as we continue to advance our capabilities in managing ESG risks in a manner that is consistent with regulatory requirements, industry standards, best practices, and risk appetite.

The ESG Risk Management framework is supported by additional policies, processes, and guidelines, designed to help mitigate ESG Risk or advance responsible practices. For example, Scotiabank is a signatory to the Equator Principles (EPs) framework, which enables the Bank, in partnership with our clients, to identify, assess, manage and report environmental and social risks and impacts associated with the large-scale infrastructure and industrial development projects. We also have policies in place related to our financing activities to oil and gas projects in the Arctic Circle, and to projects related to thermal coal mining and power, UNESCO World Heritage Sites and Wetlands of International Importance, and illegal logging and wildlife trade. Our approach to respecting and promoting human rights is communicated in the Scotiabank Code of Conduct and in the Global Human Rights Statement.

The Bank has set a number of enterprise-wide commitments that aim to address climate-related risks and opportunities in the short, medium, and long term. Scotiabank is a member of the Net Zero Banking Alliance (NZBA), re-enforcing the Bank's commitment in playing a significant role to finance the climate transition to reach the goal of net-zero by 2050. As a member of the NZBA, we have committed to setting and disclosing interim emissions reduction targets for certain high-emitting sectors. The Bank has also committed to provide $350 billion by 2030 in climate-related finance to support clients in their strategies to address climate change and other environmental goals. Our Climate Related Finance Framework outlines the financial product and services we offer in support of these objectives. Additional information on the Bank's approach to climate change risk management and strategy will be provided in our 2024 Climate Report.

Data Risk

Data risk is the risk of exposure to the adverse financial and non-financial consequences (e.g., revenue loss, reputational risk, regulatory risk, sub-optimal management decisions) caused by mismanagement, misunderstanding or misuse of the Bank's data assets. This risk may arise from poor data quality; inadequate data management or data architecture; and/or unethical data usage.

The Data Risk Management Framework (DRMF) outlines the overarching guiding principles for data risk management and defines the governance structure of the enterprise data risk management program, recognizing the collaborative nature of data risk management and oversight. The Data Risk Management Policy (DRMP) categorizes and explains risks associated with data, and outlines the interaction model and roles and responsibilities for key stakeholders involved in managing data risk across the organization.

Model Risk

Model risk is the risk of adverse financial (e.g., capital, losses, revenue) and reputational consequences arising from the design, development, implementation and/or use of a model. It can originate from, among other things, inappropriate specifications; incorrect parameter estimates; flawed hypotheses and/or assumptions; mathematical computation errors; inaccurate, inappropriate or incomplete data; inappropriate, improper or unintended usage; and inadequate monitoring and/or controls.

The Model Risk Management Framework outlines the Bank's approach for effective governance and oversight of model risk consistent with the policies and processes outlined in the Bank's Model Risk Management Policy (MRMP). The MRMP describes the overarching principles, policies, and procedures that provide the framework for managing model risk. All models, whether developed by the Bank or vendor-supplied, that meet the Bank's model definition are covered by this Policy. The MRMP also clearly defines roles and responsibilities for key stakeholders involved in the model risk management cycle.

Reputational Risk

Reputational risk is the risk that negative publicity or stakeholder sentiment regarding Scotiabank's conduct, business practices or associations, whether true or not, will adversely affect its revenues, operations or customer base, or require costly litigation or other defensive measures.

The Bank has an Enterprise Reputational Risk Policy, as well as other policies and procedures for managing suitability risk, and reputational and legal risk related to various transactions, relationships or other Bank activities. Reputational risk is managed and controlled by the Scotiabank Code

of Conduct, governance practices and risk management programs, policies, procedures, and training. All directors, officers and employees have a responsibility to conduct their activities in accordance with the Scotiabank Code of Conduct, and in a manner that minimizes reputational risk. The activities of the Legal; Global Tax; Corporate Secretary; Global Communications; Global Compliance & AML, and Global Risk Management departments, as well as the Reputational Risk Committee, are particularly oriented to the management of reputational risk.

Strategic Risk

Strategic risk is the risk that the enterprise, business lines or corporate functions will make strategic choices that are inappropriate or insufficiently resilient to changes in the business environment, or ineffectively execute such strategies.

The Board is ultimately responsible for oversight of strategic risk, by ensuring a robust strategic planning process and approving, on an annual basis, the strategic plan for the Bank. Changes in our business strategy can impact our risk appetite and therefore the Annual Strategy Report to the Board of Directors considers linkages between the Bank's Enterprise Risk Appetite Framework and the enterprise strategy, business line strategies and how the corporate functions support the business lines in the execution of their strategic plans. The Board reviews this material, along with other relevant strategic and financial presentations by management throughout the year in order to provide the appropriate governance.

The strategic planning process is managed by Enterprise Strategy which supports the management of strategic risk throughout the planning process by ensuring alignment across our business, financial, capital and risk planning. Global Risk Management also provides oversight of strategic risk by providing independent reviews throughout the strategic planning process, establishing enterprise risk frameworks, and independently monitoring and reporting on the level of risk established against our risk appetite metrics.

The development, evaluation and execution of the Bank's strategic plans is owned by the Management team of the Bank. They participate actively in the annual planning process and on an ongoing basis, Heads of Business Lines and Corporate Functions identify, manage, and assess the internal and external risks that could impede achievement of, or progress of, strategic objectives. The executive management team regularly meets to evaluate the effectiveness of the Bank's strategic plan, and consider what amendments, if any, are required.

Controls and Accounting Policies

Controls and Procedures

Management's responsibility for financial information contained in this annual report is described on page 136.

Disclosure controls and procedures

The Bank's disclosure controls and procedures are designed to provide reasonable assurance that information is accumulated and communicated to the Bank's management, including the President and Chief Executive Officer and the Group Head and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

As of October 31, 2024, the Bank's management, with the participation of the President and Chief Executive Officer and the Group Head and Chief Financial Officer, evaluated the effectiveness of its disclosure controls and procedures, as defined under the rules adopted by the U.S. Securities and Exchange Commission (SEC) and the Canadian securities regulatory authorities, and have concluded that the Bank's disclosure controls and procedures are effective.

Internal control over financial reporting

Management of the Bank is responsible for establishing and maintaining adequate internal control over financial reporting. These controls include policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and that receipts and expenditures are being made only in accordance with authorizations of management and directors of the Bank; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Bank's assets that could have a material effect on the financial statements.

All control systems contain inherent limitations, no matter how well designed. As a result, the Bank's management acknowledges that its internal control over financial reporting will not prevent or detect all misstatements due to error or fraud. In addition, management's evaluation of controls can provide only reasonable, not absolute, assurance that all control issues that may result in material misstatements, if any, have been detected.

Management assessed the effectiveness of internal control over financial reporting, using the Internal Control-Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and based on that assessment concluded that internal control over financial reporting was effective as of October 31, 2024. There are no material weaknesses that have been identified by management in this regard. KPMG LLP, the independent auditors appointed by the shareholders of the Bank, who have audited the consolidated financial statements, have also audited internal control over financial reporting as of October 31, 2024.

Changes in internal control over financial reporting

During the year ended October 31, 2024, there have been no changes in the Bank's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Bank's internal control over financial reporting.

Critical Accounting Policies and Estimates

The Bank's accounting policies are integral to understanding and interpreting the financial results reported in this annual report. Note 3 to the consolidated financial statements summarizes the material accounting policies used in preparing the Bank's consolidated financial statements. Certain of these policies require management to make estimates, assumptions and subjective judgments that are difficult, complex, and often relate to matters that are inherently uncertain. The policies discussed below are particularly important to the presentation of the Bank's financial position and results of operations, as changes in the estimates, assumptions and judgments could have a material impact on the Bank's consolidated financial statements. These estimates, assumptions and judgments are adjusted in the normal course of business to reflect changing underlying circumstances.

Allowance for credit losses

The allowance for credit losses, using an expected credit loss approach as required under IFRS 9, is estimated using valuation models and incorporates inputs, assumptions and techniques that involve a high degree of management judgment. Under IFRS 9 expected credit loss methodology, an allowance is recorded for expected credit losses on financial assets regardless of whether there has been an actual loss event. The Bank recognizes an allowance at an amount equal to 12 month expected credit losses if the credit risk at the reporting date has not increased significantly since initial recognition (Stage 1). When a financial asset experiences a significant increase in credit risk after origination but is not considered to be in default, it is included in Stage 2 and subject to lifetime expected credit losses. Financial assets that are in default are included in Stage 3. Similar to Stage 2, the allowance for credit losses for Stage 3 financial assets captures the lifetime expected credit losses.

The main drivers in allowance for credit loss changes that are subject to significant judgment include the following:

- Determination of point-in-time parameters such as probability of default (PD), loss given default (LGD) and exposure at default (EAD).
- Forecast of macroeconomic variables for multiple scenarios and probability weighting of the scenarios.
- Assessment of significant increase in credit risk.

Qualitative adjustments or overlays may also be made as temporary adjustments using expert credit judgment in circumstances where, in the Bank's view, the existing regulatory guidance, inputs, assumptions, and/or modelling techniques do not capture all relevant risk factors. The use of management overlays requires significant judgment that may impact the amount of allowance recognized.

Measurement of expected credit losses

The probability of default (PD), exposure at default (EAD), and loss given default (LGD) inputs used to estimate expected credit losses are modelled based on historical default and loss experience, and macroeconomic variables that are closely related with credit losses in the relevant portfolio.

Details of these statistical parameters/inputs are as follows:

- PD – The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the facility has not been previously derecognized and is still in the portfolio.
- EAD – The exposure at default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD – The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

Forward-looking macroeconomic scenarios
The Bank uses a broad range of forward-looking economic information as inputs to its models of expected credit losses and the related allowance. These include real GDP, unemployment rates, consumer price index, central bank interest rates, and house-price indices, amongst others. The allowance is determined using four probability-weighted, forward-looking scenarios. The Bank considers both internal and external sources of information and data in order to create unbiased projections and forecasts. The Bank prepares the scenarios using forecasts generated by Scotiabank Economics (SE). The forecasts are generated using both internally and externally developed models whose outputs are modified by SE as necessary to formulate a 'base case' view of the most probable future direction of economic developments; SE also develops a representative range of other alternative possible forecast scenarios. More specifically, the process involves the development of three additional economic scenarios to which relative probabilities are assigned. The development of the baseline and alternative scenarios is overseen by a governance committee that consists of internal stakeholders from across the Bank. The final baseline and alternative scenarios reflect significant review and oversight and incorporate judgment both in the determination of the scenarios' forecasts and the probability weights that are assigned to them.

Significant increase in credit risk (SIR)
The assessment of SIR since origination of a financial asset considers borrower-specific quantitative and qualitative information without consideration of collateral, and the impact of forward-looking information. Quantitative models may not always be able to capture all reasonable and supportable information that may indicate a significant increase in credit risk. Qualitative factors may be assessed to supplement the gap. Examples of situations include changes in adjudication criteria for a particular group of borrowers; changes in portfolio composition; and natural disaster events impacting certain portfolios.

For retail exposures, a significant increase in credit risk is assessed based on thresholds that exist by product which consider the change in PD. The thresholds used for PD migration are reviewed and assessed at least annually unless there is a significant change in credit risk management practices in which case the review is brought forward.

For Non-retail exposures the Bank uses an internal risk rating scale (IG codes). All non-retail exposures have an IG code assigned that reflects the probability of default of the borrower. Both borrower specific and non-borrower specific (i.e. macroeconomic) forward-looking information is considered and reflected in the IG rating. Significant increase in credit risk is evaluated based on the migration of the exposures among IG codes.

Fair value of financial instruments

All financial instruments are measured at fair value on initial recognition. Subsequent measurement of a financial instrument depends on its classification. The contractual cash flow characteristics of a financial instrument and the business model under which it is held determine such classification. Non-trading loans and receivables, certain securities and most financial liabilities are carried at amortized cost unless classified or designated as fair value through profit and loss or fair value through other comprehensive income at inception.

The fair value of a financial asset or liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal, or in its absence, the most advantageous market to which the Bank has access at the measurement date.

The Bank discloses the classification of all financial instruments carried at fair value in a hierarchy based on the determination of fair value. The best evidence of fair value for a financial instrument is the quoted price in an active market. Fair value based on unadjusted quoted market prices for identical instruments in active markets represents a Level 1 valuation. Quoted prices are not always available for over-the-counter (OTC) transactions, as well as transactions in inactive or illiquid markets. OTC transactions are valued using internal models that maximize the use of observable inputs to estimate fair value. The chosen valuation technique incorporates all the factors that market participants would consider in pricing a transaction. When fair value is based on all significant market observable inputs, the valuation is classified as Level 2. Financial instruments traded in a less active market can be valued using indicative market prices, the present value of cash flows or other valuation techniques. Fair value estimates normally do not consider forced or liquidation sales. Where financial instruments trade in inactive markets or when using models where observable parameters do not exist, significant management judgement is required for valuation methodologies and model inputs. Valuations that require the significant use of unobservable inputs are considered Level 3. The calculation of estimated fair value is based on market conditions at a specific point in time and therefore may not be reflective of future fair values.

The Bank has controls and processes in place to ensure that the valuation of financial instruments is appropriately determined. Global Risk Management (GRM) is responsible for the design and application of the Bank's risk management framework. GRM is independent of the Bank's business units and is overseen by Executive Management and the Board of Directors. Senior management committees within GRM oversee and establish standards that are critical in ensuring that appropriate valuation methodologies and policies are in place for determining fair value.

Where possible, valuations are based on quoted prices or observable inputs obtained from active markets. GRM oversees a monthly Independent Price Verification (IPV) process to ensure the reliability and accuracy of prices and inputs used in the determination of fair value. The IPV process is performed by price verification groups that are independent of the business. The Bank maintains an approved list of pricing sources that are used in the IPV process. These sources include, but are not limited to, brokers, dealers and consensus pricing services. The valuation policies relating to the IPV process require that all pricing or rate sources be external to the Bank. At least annually, an independent assessment of pricing or rate sources is performed by GRM to determine the market presence or market representative levels.

Where quoted prices are not readily available, such as for transactions in over-the-counter markets, internal models that maximize the use of observable inputs are used to estimate fair value. An independent second-line model risk management function within GRM oversees the initial

model validation, approval and ongoing validation and the performance monitoring of valuation models used in determining fair value. Model development and validation processes are governed by the Bank's Model Risk Management Policy.

In determining fair value for certain instruments or portfolios of instruments, valuation adjustments or reserves may be required to arrive at a more accurate representation of fair value. The Bank's policy of applying valuation reserves to a portfolio of instruments is approved by a senior management committee. These reserves can include adjustments for credit risk, bid-offer spreads, unobservable parameters, funding costs and constraints on prices in inactive or illiquid markets. The methodology for the calculation of valuation reserves is reviewed at least annually by senior management.

Valuation adjustments recorded against the fair value of financial assets and financial liabilities totaled $81 million as at October 31, 2024 (2023 – $153 million), net of any write-offs. The majority of the year-over-year change is due to tightening of counterparty credit spreads during the year.

As at October 31, 2024, a net funding valuation adjustment (FVA) representing an excess of funding benefit adjustment over funding cost adjustment of $165 million (2023 – $271 million), pre-tax, was recorded for uncollateralized derivative instruments.

Employee benefits

The Bank provides pension and other benefit plans for eligible employees in Canada and internationally. Pension benefits are offered in the form of defined benefit pension plans (generally based on an employee's length of service and earnings) and defined contribution pension plans (where the Bank's contribution is fixed and there is no legal or constructive obligation to pay further amounts). Other benefits include post-retirement health care, dental care and life insurance, along with other long-term employee benefits, such as long-term disability benefits.

The employee benefit expenses and related benefit obligation are calculated using actuarial methods and certain actuarial assumptions. These assumptions are based on management's best estimate and are reviewed and approved annually. The most significant assumption is the discount rate used to determine the defined benefit obligation, which is set by reference to the yields on high quality corporate bonds that have durations that match the terms of the Bank's obligations. Separate discount rates are used to determine the annual benefit expense in Canada and the U.S. These rates are determined with reference to the yields on high quality corporate bonds with durations that match the various components of the annual benefit expense. The discount rate used to determine the annual benefit expense for all other plans is the same as the rate used to determine the defined benefit obligation. Other key assumptions include future compensation, health care costs, employee turnover, retirement age and mortality. When making these estimates, management considers expectations of future economic trends and business conditions, including inflation rates, as well as other factors, such as plan-specific experience and best practices.

Actual experience that differs from assumptions made by management will result in a net actuarial gain or loss recognized immediately in other comprehensive income, except for other long-term employee benefits, where they are recognized in the Consolidated Statement of Income.

Note 29 of the consolidated financial statements contains details of the Bank's employee benefit plans, such as the disclosure of pension and other benefit amounts, management's key assumptions, and a sensitivity analysis of changes in these assumptions on the employee benefit obligation and expense.

Corporate income taxes

Management exercises judgment in determining the provision for income taxes and deferred income tax assets and liabilities. The provision is based on management's expectations regarding the income tax consequences of transactions and events during the period. Management interprets the tax legislation for each jurisdiction in which the Bank operates and makes assumptions about the expected timing of the reversal of deferred income tax assets and liabilities. If management's interpretations of the legislation differ from those of the tax authorities, or if the actual timing of the reversals of the deferred income tax assets and liabilities is not as anticipated, the provision for income taxes could increase or decrease in future periods.

The Bank maintains provisions for uncertain tax positions that it believes appropriately reflect the risk of tax positions under discussion, audit, dispute or appeal with tax authorities, or which are otherwise considered to involve uncertainty. These provisions are made using the Bank's best estimate of the amount expected to be paid based on an assessment of all relevant factors, which are reviewed at the end of each reporting period. It is possible that additional liability and income tax expense could arise in the future, depending on the acceptance of the Bank's tax positions by the relevant tax authorities in the jurisdictions in which the Bank operates.

Note 28 of the consolidated financial statements contains further details with respect to the Bank's provisions for income taxes.

Structured entities

In the normal course of business, the Bank enters arrangements with structured entities on behalf of its customers and for its own purposes. These structured entities can be generally categorized as multi-seller commercial paper conduits, Bank funding vehicles and structured finance entities. Further details are provided in the Off-balance sheet arrangements section on page 68.

Management is required to exercise judgement to determine whether a structured entity should be consolidated. This evaluation involves understanding the arrangements, determining whether decisions about the relevant activities are made by means of voting rights or other contractual arrangements, and determining whether the Bank controls the structured entity.

The Bank controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The three elements of control are:

- power over the investee;
- exposure, or rights, to variable returns from involvement with the investee; and
- the ability to use power over the investee to affect the amount of the Bank's returns.

This definition of control applies to circumstances:

- when voting rights or similar rights give the Bank power, including situations where the Bank holds less than a majority of voting rights or involving potential voting rights;
- when an investee is designed so that voting rights are not the dominant factor in deciding who controls the investee (i.e., relevant activities are directed by contractual arrangements);
- involving agency relationships; and
- when the Bank has control over specified assets of an investee.

The Bank does not control an investee when it is acting in an agent's capacity. The Bank assesses whether it is an agent by determining whether it is primarily engaged to act on behalf and for the benefit of another party or parties. Factors that the Bank considers in this assessment include the scope of its decision-making authority over the investee, the rights held by other parties, the remuneration to which it is entitled, and the Bank's exposure to variability of returns from other interests that it holds in the investee. The analysis uses both qualitative and quantitative analytical techniques and involves the use of a number of assumptions about the business environment in which the structured entity operates and the amount and timing of future cash flows. The Bank reassesses whether it controls an investee if facts and circumstances indicate that one or more of the three elements of control change. Management is required to exercise judgement to determine if a change in control event has occurred. During 2024, there were no change in control events that caused the Bank to change its control conclusion of its multi-seller conduits or other structured entities.

As described in Note 16 to the consolidated financial statements and in the discussion of off-balance sheet arrangements, the Bank does not control the two Canadian-based multi-seller conduits that it sponsors and they are not required to be consolidated on the Bank's Consolidated Statement of Financial Position. The Bank controls its U.S.-based multi-seller conduit and consolidates it on the Bank's Consolidated Statement of Financial Position.

Goodwill

For impairment testing, goodwill acquired in a business combination is, on the acquisition date, allocated to each of the Bank's group of cash-generating units (CGU) that are expected to benefit from the particular acquisition. Goodwill is not amortized but tested for impairment annually and when circumstances indicate that the carrying value may be impaired. At each reporting date, goodwill is reviewed to determine whether there is any indication of impairment. Each CGU to which goodwill is allocated for impairment testing reflects the lowest level at which goodwill is monitored for internal management purposes.

The Bank determines the carrying value of the CGU using a regulatory capital approach based on credit, market, operational risks and leverage, consistent with the Bank's capital attribution for business line performance measurement. Corporate capital that is not directly attributable is allocated to each CGU on a proportional basis. The recoverable amount is the greater of fair value less costs of disposal (FVLCD) and value in use (VIU). If either FVLCD or VIU exceeds the carrying amount, there is no need to determine the other. An impairment loss is recognized if the carrying amount of the CGU exceeds the recoverable amount. An impairment loss, in respect of goodwill, is not reversed.

FVLCD is the price that would be received from the sale of a CGU in an orderly transaction between market participants, less costs of disposal, at the measurement date. In determining FVLCD, an appropriate valuation model is used which considers various factors, including normalized net income, price earnings multiples, and control premiums. These calculations are corroborated by valuation multiples and quoted share prices for publicly traded subsidiaries or other available fair value indicators.

VIU is the present value of the future cash flows expected to be derived from a CGU. The determination of VIU involves judgment in estimating future cash flows, terminal growth rate and discount rate. The future cash flows are based on management approved budgets and plans which factor in market trends, macroeconomic conditions, forecasted earnings and business strategy for the CGU. The terminal growth rate is based on the long-term growth expectations in the relevant countries, while the discount rate is based on the cost of capital.

Significant judgment is applied in determining the recoverable amounts of the CGU and assessing whether certain events or circumstances constitute objective evidence of impairment.

Goodwill was assessed for annual impairment based on the methodology described above as at July 31, 2024, and no impairment was determined to exist. As of October 31, 2024, there were no significant changes to this assessment. For additional information, see Note 19 of the consolidated financial statements.

Intangible assets

Intangible assets with indefinite useful lives are not amortized but tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Intangible assets with finite useful lives are amortized over the estimated useful life of the asset and are tested for impairment only when events and circumstances indicate impairment. Indefinite life and finite life intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment.

The recoverable amount is the greater of fair value less costs of disposal (FVLCD) and value in use (VIU). If either FVLCD or VIU exceeds the carrying amount, there is no need to determine the other. The VIU method is used by the Bank to determine the recoverable amount of intangible assets. In determining VIU, a discounted cash flow valuation model is used which incorporates key assumptions, such as management-approved cash flow projections, terminal growth rate and the applicable discount rate. An impairment loss is recognized if the carrying amount of the intangible asset exceeds its recoverable amount. Impairment losses recognized in prior periods are reassessed at each reporting period for any indication that the loss has decreased or no longer exists. An impairment loss recognized in a prior period shall be reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment was recognized. The reversal of an impairment loss reflects an increase in the estimated service potential of an asset, either from use or from sale, and does not only result from the passage of time. An impairment loss is reversed only to the extent that the intangible asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized.

The recoverable amount is significantly impacted by the discount rate and the terminal value. Significant judgment is applied in determining the intangible asset's recoverable amount and assessing whether certain events or circumstances constitute objective evidence of impairment.

Indefinite life intangible assets were assessed for annual impairment based on the methodology described above as at July 31, 2024, and no impairment was determined to exist. As of October 31, 2024, there were no significant changes to this assessment. For additional information on both indefinite life and finite life intangible assets, see Note 19 of the consolidated financial statements.

Derecognition of financial assets

Financial assets are derecognized when the contractual rights to the cash flows from the asset have expired, which occurs with repayment by the borrower or upon substantial modification of the asset terms. Assets are also derecognized when the Bank transfers the contractual rights to receive the cash flows from the financial asset or has assumed an obligation to pay those cash flows to an independent third-party, and the Bank has transferred substantially all the risks and rewards of ownership of that asset to an independent third-party.

Management must apply judgement in determining whether a modification of the contractual terms of the financial asset is substantial. For loans, this includes the nature of the modification and the extent of changes to contractual terms including interest rate, authorized amount and term.

Management must also apply judgement in determining, based on specific facts and circumstances, whether the Bank has retained or transferred substantially all the risks and rewards of ownership of the financial asset. Where substantially all the risks and rewards of ownership of the financial asset are neither retained nor transferred, the Bank derecognizes the transferred asset only if it has lost control over that asset. If the Bank retains control over the asset, it will continue to recognize the asset to the extent of its continuing involvement.

Most assets transferred under repurchase agreements, securities lending agreements, securitizations of fully insured Canadian residential mortgages, and securitizations of credit card receivables do not qualify for derecognition. The Bank continues to record the transferred assets on the Consolidated Statement of Financial Position as secured financings.

Further information on derecognition of financial assets can be found in Note 15 of the consolidated financial statements.

Provisions

The Bank recognizes a provision if, because of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Probable in this context means more likely than not. Significant judgement is required in determining whether a present obligation exists and in estimating the probability, timing, and amount of any future outflows.

In the ordinary course of business, the Bank and its subsidiaries are routinely defendants in, or parties to a number of pending and threatened legal actions and regulatory proceedings, including actions brought on behalf of various classes of claimants. In view of the inherent difficulty of predicting the outcome of such matters, the Bank cannot state what the eventual outcome of such matters will be.

Legal provisions are established when it becomes probable that the Bank will incur an expense related to a legal action and the amount can be reliably estimated. Such provisions are recorded at the best estimate of the amount required to settle any obligation related to these legal actions as at the balance sheet date, considering the risks and uncertainties surrounding the obligation. Management and internal and external experts are involved in estimating any amounts that may be required. The actual costs of resolving these claims may vary significantly from the amount of the legal provisions. The Bank's estimate involves significant judgement, given the varying stages of the proceedings, the fact that the Bank's liability, if any, has yet to be determined and the fact that the underlying matters will change from time to time. As such, there is a possibility that the ultimate resolution of those legal actions may be material to the Bank's consolidated results of operations for any reporting period.

The Bank, through its Peruvian subsidiary, is engaged in legal actions related to certain value-added tax assessed amounts and associated interest totaling $176 million, which arose from certain client transactions that occurred prior to the Bank's acquisition of the subsidiary. The legal action in Peru relating to the original assessed amount was heard by the Peruvian Constitutional Court in June 2023. That case was decided in favour of the Government of Peru in May 2024. Accordingly, the Bank paid $34 million representing the principal and associated reasonable interest, which was recorded in non-interest expenses – other. In November 2021, the Peruvian Constitutional Court dismissed the matter relating to the accrued default interest for procedural reasons. With respect to this default interest component, and in relation to the Constitutional Court of Peru's treatment of Scotiabank Peru, in October 2022, the Bank filed a request for arbitration against the Republic of Peru before the International Centre for the Settlement of Investment Disputes (ICSID), pursuant to the provisions of the Canada-Peru Free Trade Agreement. In May 2024, the ICSID Tribunal issued a ruling that narrowed the scope of the Bank's case. This case is currently proceeding through the arbitration process. Following these developments, the Bank recorded a legal provision of $142 million in other liabilities – provisions, representing the amount at issue in the arbitration. The Bank intends to continue to vigorously advance its position.

Future Accounting Developments

The Bank actively monitors developments and changes in accounting standards from the IASB, as well as requirements from the other regulatory bodies, including OSFI. The Bank is currently assessing the impact of adoption of new standards issued by the IASB on its consolidated financial statements and also evaluating the alternative elections available on transition.

Effective November 1, 2026

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Amendments

On May 30, 2024, the IASB issued "Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)" to address post-implementation review findings of IFRS 9 Financial Instruments.

The amendments introduce an accounting policy choice to derecognize financial liabilities settled through an electronic payment system before the settlement date upon meeting certain conditions. The amendments clarify the assessment of contractual cash flow characteristics of financial assets based on contingent events, such as interest rates linked to environmental, social and governance (ESG) targets, the treatment of non-recourse assets, and contractually linked instruments. The amendments introduce new disclosure requirements for financial instruments with contractual terms that can change cash flows due to events not directly related to changes in basic lending risks, such as certain loans subject to ESG targets. Additionally, the amendments change some of the disclosure requirements for equity instruments designated at fair value through other comprehensive income.

The amendments are effective for the Bank on November 1, 2026, and early adoption is permitted. The Bank is required to apply the amendments retrospectively but is not required to restate prior periods. The Bank is currently assessing the impact of these amendments.

Effective November 1, 2027

IFRS 18 Presentation and Disclosure in Financial Statements

The IASB issued IFRS 18 Presentation and Disclosure in Financial Statements on April 9, 2024, to replace IAS 1 Presentation of Financial Statements and is effective for annual periods beginning on or after January 1, 2027. IFRS 18 introduces a defined structure for the presentation of the statement of income, including required totals and subtotals, as well as aggregating and disaggregating principles to categorize financial information. The standard also requires all Management-defined performance measures to be disclosed in the notes to the financial statements.

IFRS 18 will be effective for the Bank on November 1, 2027, with early adoption permitted. The Bank is currently assessing the impact of this new standard.

Regulatory Developments

The Bank continues to monitor global regulatory developments relating to a broad spectrum of topics, in order to ensure that control functions and business lines are responsive on a timely basis and business impacts, if any, are minimized. A high-level summary of some of the key regulatory developments that have the potential of impacting the Bank's operations is included below.

OSFI Draft Revised Guideline E-23 Model Risk

The E-23 Guideline, which is principles-based, sets out OSFI's expectations related to enterprise-wide model risk management (MRM). It applies to all federally regulated financial institutions, including private pension plans, insurance, and trust and loan companies, and to all models, whether they require formal regulatory approval or not. OSFI expects model risk to be managed through a risk-based approach and on an enterprise-wide basis. The consultation period is closed, and the final version is expected to be published in Summer 2025. The Bank is monitoring this proposed regulatory development.

OSFI Guideline B-15: Climate Risk Management

OSFI's Guideline B-15 – Climate Risk Management is effective as of October 31, 2024. This guideline aims to streamline climate disclosures and promote transparency of climate-related risks. OSFI also released new Climate Risk Returns that will collect standardized climate-related data on emissions and exposures from FRFIs. The Climate Risk Returns are due in December 2024.

Interest Rate Benchmark Reform

The publication of the 1-month, 2-month and 3-month Canadian Dollar Offered Rate (CDOR) tenors ceased as of June 28, 2024. The Bank has successfully transitioned all contracts referencing CDOR and Bankers Acceptances (BAs) to alternative rates such as Canadian Overnight Repo Rate Average (CORRA) or Prime.

Canadian Federal Tax Measures

On August 12, 2024, the Department of Finance released draft legislation on the proposed increase to the capital gains inclusion rate from 50% to 66.7% for gains or losses realized after June 24, 2024.

A Notice of Ways and Means Motion was tabled on September 23, 2024 to implement the draft legislation for the increased capital gains inclusion rate. This legislation is expected to be enacted in a future bill and its impact is not material to the Bank.

Global Minimum Tax

The Organisation for Economic Co-operation and Development (OECD) published Pillar Two model rules in December 2021 as part of its efforts toward international tax reform. The rules aim to have large multinational enterprises, with consolidated revenues in excess of €750 million, pay a minimum effective tax of 15% in each jurisdiction they operate. OECD member countries are in the process of developing domestic tax legislation to implement the rules. In June 2024, Canada enacted the Global Minimum Tax (GMT) Act as part of Bill C-69. During the year, certain countries have also enacted their local GMT legislation to introduce a domestic minimum top-up tax. These laws will apply to the Bank from fiscal year 2025 onwards.

The IASB previously issued amendments to IAS 12 Income Taxes for a temporary mandatory exception from the recognition and disclosure of deferred taxes related to the implementation of Pillar Two GMT rules, which the Bank has applied.

The Bank has performed an assessment of its potential GMT impact and continues to monitor relevant legislation and available guidance when released across various jurisdictions. GMT is expected to apply to earnings from jurisdictions including Bahamas, Barbados, Cayman Islands and Ireland. Based on the Bank's preliminary assessment, the Bank expects an increase in its effective tax rate by approximately 1% for the year ending October 31, 2025.

OSFI Draft Revised Guideline E-21: Operational Risk

On August 22, 2024, OSFI published the final revised Guideline E-21: Operational Risk Management and Resilience (Guideline E-21). Guideline E-21 sets out OSFI's expectations for financial institutions to prepare for and recover from adverse events, such as internal control failures, pandemics and technology failures. Expectations in the guideline are subject to phased implementation, with full adherence by September 1, 2026. The Bank is working on a multi-year plan to in respect of this regulatory development.

Consumer Protection (Quebec)

On September 12, 2024, the Quebec Government introduced Bill 72, An Act to protect consumers against abusive commercial practices and to offer better transparency with respect to prices and credit (Bill 72). Bill 72 amends Quebec's Consumer Protection Act and provides new protections for consumers, including with respect to the unauthorized use of a deposit account or fraud. The Bank is assessing the application of Bill 72.

Related Party Transactions

Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, and comprise the directors of the Bank, the President and Chief Executive Officer, certain direct reports of the President and Chief Executive Officer and Group Heads.

T60 Compensation of key management personnel of the Bank

For the year ended October 31 ($ millions)	2024	2023
Salaries and cash incentives[1]	**$ 25**	$ 23
Equity-based payment[2]	**29**	32
Pension and other benefits[1]	**2**	2
Total	**$ 56**	$ 57

(1) Expensed during the year.
(2) Awarded during the year.

Directors can use some or all of their director fees earned to buy common shares of the Bank at market rates through the Director's Share Purchase Plan. Non-officer directors may elect to receive all or a portion of their fees in the form of deferred stock units which vest immediately. Refer to Note 27 – Share-based payments for further details of these plans.

T61 Loans and deposits of key management personnel

Loans are currently granted to key management personnel at market terms and conditions.

As at October 31 ($ millions)	2024	2023
Loans	**$ 10**	$ 13
Deposits	**5**	6

The Bank's committed credit exposure to companies controlled by directors totaled $267 million as at October 31, 2024 (October 31, 2023 – $266 million) while actual utilized accounts were $199 million (October 31, 2023 – $165 million).

Transactions with associates and joint ventures

In the ordinary course of business, the Bank provides normal banking services and enters into transactions with its associated and other related corporations on terms similar to those offered to non-related parties. If these transactions are eliminated on consolidation, they are not disclosed as related party transactions. Transactions between the Bank and its associated companies and joint ventures also qualify as related party transactions and are as follows:

T62 Transactions with associates and joint ventures

As at and for the year ended October 31 ($ millions)	2024	2023
Net income / (loss)	**$ (15)**	$ (22)
Loans	**209**	209
Deposits	**253**	277
Guarantees and commitments	**46**	55

Scotiabank principal pension plan

The Bank manages assets of $6.0 billion (October 31, 2023 – $5.2 billion) which is a portion of the Scotiabank principal pension plan assets and earned $6.7 million (October 31, 2023 – $6.9 million) in fees.

Oversight and governance

The oversight responsibilities of the Audit and Conduct Review Committee (ACRC) with respect to related party transactions include reviewing the Related Party Policy and transactions with related parties that may materially affect the Bank and to ensure compliance with the Bank Act. The Bank Act requirements encompass a broader definition of a related party and the transactions than is set out in International Accounting Standard 24 *Related Party Disclosures*. The Bank has various procedures in place to ensure that related party information is identified and reported to the ACRC on a semi-annual basis. The ACRC is provided with reports that reflect the Bank's compliance with its Policy.

The Bank's Internal Audit department carries out audit procedures as necessary to provide the ACRC with reasonable assurance that the Bank's policies and procedures to identify, authorize and report related party transactions are appropriately designed and operating effectively in compliance with the Bank Act.

Supplementary Data

Geographic Information

T63 Net income by geographic segment

For the fiscal year ($ millions)	2024(1) Canada	U.S.	Mexico	Peru	Chile	Colombia	Caribbean and Central America	Other International	Total	2023(1) Canada	U.S.	Mexico	Peru	Chile	Colombia	Caribbean and Central America	Other International	Total
Net interest income	$ 8,933	$ 870	$ 2,397	$ 1,425	$ 2,020	$ 690	$ 1,849	$ 1,068	$ 19,252	$ 8,535	$ 1,019	$2,168	$ 1,320	$ 1,830	$ 564	$ 1,743	$ 1,083	$ 18,262
Non-interest income	8,535	1,588	996	530	433	479	1,180	677	14,418	8,597	1,351	865	451	593	418	1,126	551	13,952
Provision for credit losses	1,701	28	380	501	626	561	150	104	4,051	1,492	59	270	404	604	392	123	78	3,422
Non-interest expenses	11,198	1,383	1,610	741	969	723	1,440	1,631	19,695	10,982	1,246	1,488	727	1,014	661	1,427	1,576	19,121
Income tax expense	951	182	337	170	156	(33)	306	(37)	2,032	1,041	276	312	162	135	(21)	300	16	2,221
Net income	3,618	865	1,066	543	702	(82)	1,133	47	7,892	3,617	789	963	478	670	(50)	1,019	(36)	7,450
Net income attributable to non-controlling interests in subsidiaries	–	–	24	3	42	(50)	115	–	134	(3)	–	22	1	18	(34)	108	–	112
Net income attributable to equity holders of the Bank	$ 3,618	$ 865	$ 1,042	$ 540	$ 660	$ (32)	$ 1,018	$ 47	$ 7,758	$ 3,620	$ 789	$ 941	$ 477	$ 652	$ (16)	$ 911	$ (36)	$ 7,338
Adjustments(2)	708	–	–	2	18	–	3	2	733	876	–	–	5	20	–	4	5	910
Adjusted net income (loss) attributable to equity holders of the Bank(2)	$ 4,326	$ 865	$ 1,042	$ 542	$ 678	$ (32)	$ 1,021	$ 49	$ 8,491	$ 4,496	$ 789	$ 941	$ 482	$ 672	$ (16)	$ 915	$ (31)	$ 8,248

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) Refer to Non-GAAP Measures starting on page 20.

T64 Loans and acceptances by geography

As at October 31 ($ billions)	2024	2023
Canada		
Atlantic provinces	$ 24.9	$ 24.8
Quebec	44.2	41.5
Ontario	281.9	278.4
Manitoba and Saskatchewan	21.0	20.1
Alberta	55.9	55.2
British Columbia	95.5	92.7
	523.4	512.7
U.S.	59.3	65.8
Mexico	44.2	46.1
Peru	21.0	22.6
Chile	49.2	52.6
Colombia	11.3	12.8
Other International		
Latin America	14.0	16.1
Europe	10.5	10.9
Caribbean and Central America	25.9	24.5
Asia and Other	8.7	11.8
	59.1	63.3
	$ 767.5	$ 775.9
Total allowance for credit losses	(6.5)	(6.5)
Total loans and acceptances net of allowance for credit losses	$ 761.0	$ 769.4

T65 Gross impaired loans by geographic segment

As at October 31 ($ millions)	2024	2023
Canada	$ 2,158	$ 1,564
U.S.	109	–
Mexico	1,343	1,183
Peru	715	691
Chile	1,249	1,098
Colombia	322	356
Other International	843	834
Total	$ 6,739	$ 5,726

T66 Provision against impaired financial instruments by geographic segment

For the fiscal years ($ millions)	2024	2023
Canada	**$ 1,571**	$ 949
U.S.	**24**	14
Mexico	**404**	315
Peru	**554**	393
Chile	**592**	479
Colombia	**532**	349
Other International	**253**	224
Total	**$ 3,930**	$ 2,723

Credit Risk

T67 Loans and acceptances by type of borrower

As at October 31 ($ billions)	2024	2023
Residential mortgages	**$ 350.9**	$ 344.2
Personal loans	**106.4**	104.2
Credit cards	**17.4**	17.1
Personal	**$ 474.7**	$ 465.5
Financial services		
Non-bank	**$ 29.7**	$ 29.9
Bank(1)	**0.9**	0.8
Wholesale and retail	**29.9**	34.3
Real estate and contractor	**66.0**	67.4
Energy	**7.1**	9.1
Transportation	**9.7**	9.7
Automotive	**17.6**	18.9
Agriculture	**17.0**	17.6
Hospitality and leisure	**3.8**	3.7
Mining	**6.4**	6.6
Metals	**2.2**	2.3
Utilities	**25.0**	29.5
Health care	**7.9**	8.2
Technology and media	**21.7**	25.1
Chemicals	**1.9**	2.3
Food and beverage	**10.8**	11.8
Forest products	**2.8**	2.9
Other(2)	**25.2**	23.8
Sovereign(3)	**7.2**	6.5
Business and government	**$ 292.8**	$ 310.4
	$ 767.5	$ 775.9
Total allowance for credit losses	**(6.5)**	(6.5)
Total loans and acceptances net of allowance for credit losses	**$ 761.0**	$ 769.4

(1) Deposit taking institutions and securities firms.
(2) Other includes $7.9 in wealth management, $3.5 in services and $1.7 in financing products (2023 – $7.2, $3.4, and $1.8 respectively).
(3) Includes central banks, regional and local governments, supra-national agencies.

T68 Off-balance sheet credit instruments

As at October 31 ($ billions)	2024	2023
Commitments to extend credit (1)	**$ 272.8**	$ 284.0
Standby letters of credit and letters of guarantee	**63.0**	48.4
Securities lending, securities purchase commitments and other	**60.3**	57.7
Total	**$ 396.1**	$ 390.1

(1) Includes liquidity facilities, and excludes commitments which are unconditionally cancellable at the Bank's discretion at any time.

T69 Changes in net impaired loans

For the fiscal years ($ millions)	2024	2023
Gross impaired loans		
Balance at beginning of year	**$ 5,726**	$ 4,786
Net additions		
New additions	**9,495**	7,067
Acquisition-related	**–**	–
Declassifications	**(2,394)**	(1,940)
Payments	**(1,744)**	(1,406)
Sales	**(79)**	(49)
	5,278	3,672
Write-offs		
Residential mortgages	**(100)**	(97)
Personal loans	**(2,145)**	(1,417)
Credit cards	**(1,356)**	(1,113)
Business and government	**(484)**	(355)
	(4,085)	(2,982)
Foreign exchange and other	**(180)**	250
Balance at end of year	**$ 6,739**	$ 5,726
Allowance for credit losses on financial instruments		
Balance at beginning of year	**$ 1,881**	$ 1,635
Provision for credit losses	**3,930**	2,723
Write-offs	**(4,085)**	(2,982)
Recoveries		
Residential mortgages	**24**	31
Personal loans	**288**	237
Credit cards	**190**	197
Business and government	**60**	65
	562	530
Foreign exchange and other	**(234)**	(25)
Balance at end of year	**$ 2,054**	$ 1,881
Net impaired loans		
Balance at beginning of year	**$ 3,845**	$ 3,151
Net change in gross impaired loans	**1,013**	940
Net change in allowance for credit losses on impaired financial instruments	**(173)**	(246)
Balance at end of year	**$ 4,685**	$ 3,845

T70 Provision for credit losses

For the fiscal years ($ millions)	2024	2023
New provisions	**$ 4,591**	$ 3,357
Reversals	**(99)**	(104)
Recoveries	**(562)**	(530)
Provision for credit losses on impaired financial instruments	**3,930**	2,723
Provision for credit losses – performing financial instruments	**121**	699
Total Provision for credit losses	**$ 4,051**	$ 3,422

T71 Provision for credit losses against impaired financial instruments by type of borrower

For the fiscal years ($ millions)	2024	2023
Residential mortgages	**$ 250**	$ 156
Personal loans	**1,885**	1,266
Credit cards	**1,165**	908
Personal	**3,300**	2,330
Financial services		
Non-bank	**34**	70
Bank	**–**	–
Wholesale and retail	**137**	72
Real estate and construction	**108**	118
Energy	**–**	(2)
Transportation	**87**	(2)
Automotive	**6**	5
Agriculture	**73**	50
Hospitality and leisure	**2**	4
Mining	**–**	(9)
Metals	**9**	17
Utilities	**–**	(4)
Health care	**22**	5
Technology and media	**32**	7
Chemicals	**6**	15
Food and beverage	**69**	22
Forest products	**9**	3
Other	**35**	21
Sovereign	**1**	1
Business and government	**630**	393
Provision for credit losses on impaired financial instruments	**$ 3,930**	$ 2,723

T72 Impaired loans by type of borrower

	2024			2023		
As at October 31 ($ millions)	Gross	Allowance for credit losses	Net	Gross	Allowance for credit losses	Net
Residential mortgages	**$ 2,372**	**$ 645**	**$ 1,727**	$ 1,864	$ 498	$ 1,366
Personal loans	**1,117**	**621**	**496**	1,176	664	512
Credit cards	**–**	**–**	**–**	–	–	–
Personal	**$ 3,489**	**$ 1,266**	**$ 2,223**	$ 3,040	$ 1,162	$ 1,878
Financial services						
Non-bank	**141**	**57**	**84**	118	48	70
Bank	**–**	**–**	**–**	–	–	–
Wholesale and retail	**487**	**189**	**298**	456	202	254
Real estate and construction	**768**	**147**	**621**	773	150	623
Energy	**30**	**5**	**25**	33	7	26
Transportation	**351**	**75**	**276**	82	29	53
Automotive	**33**	**9**	**24**	27	9	18
Agriculture	**338**	**82**	**256**	272	73	199
Hospitality and leisure	**71**	**7**	**64**	95	14	81
Mining	**6**	**3**	**3**	6	3	3
Metals	**53**	**19**	**34**	57	21	36
Utilities	**1**	**1**	**–**	4	2	2
Health care	**56**	**16**	**40**	68	18	50
Technology and media	**133**	**32**	**101**	27	12	15
Chemicals	**81**	**20**	**61**	82	16	66
Food and beverage	**198**	**49**	**149**	133	42	91
Forest products	**81**	**14**	**67**	80	11	69
Other	**172**	**61**	**111**	135	59	76
Sovereign	**250**	**2**	**248**	238	3	235
Business and government	**$ 3,250**	**$ 788**	**$ 2,462**	$ 2,686	$ 719	$ 1,967
Total	**$ 6,739**	**$ 2,054**	**$ 4,685**	$ 5,726	$ 1,881	$ 3,845

T73 Total credit risk exposures by geography (1)(2)

As at October 31 ($ millions)	2024(3) Non-Retail Drawn	Non-Retail Undrawn	Non-Retail Other exposures(4)	Retail	Total	2023(3) Total
Canada	$ 246,341	$ 45,847	$ 38,143	$ 452,847	$ 783,178	$ 766,005
U.S.	141,511	35,888	60,802	–	238,201	223,574
Chile	23,926	1,759	3,435	31,059	60,179	66,733
Mexico	32,363	2,476	2,767	20,833	58,439	62,296
Peru	17,098	1,393	2,547	11,571	32,609	32,467
Colombia	7,224	337	704	6,750	15,015	16,833
Other International						
Europe	15,975	5,659	17,142	–	38,776	43,281
Caribbean and Central America	18,010	1,378	1,569	15,213	36,170	33,974
Latin America (other)	14,854	843	887	1,158	17,742	21,672
Other	18,024	3,431	3,681	–	25,136	31,852
Total	$ 535,326	$ 99,011	$ 131,677	$ 539,431	$ 1,305,445	$ 1,298,687
As at October 31, 2023	$ 557,552	$ 103,721	$ 125,367	$ 512,047	$ 1,298,687	

(1) Geographic segmentation is based upon the location of the ultimate risk of the credit exposure. Includes all credit risk portfolios and excludes equities and other assets.
(2) Amounts represent exposure at default.
(3) Regulatory amounts reported in 2024 and 2023 are under Revised Basel III requirements.
(4) Includes off-balance sheet lending instruments such as letters of credit, letters of guarantee, derivatives, securitization and repo-style transactions after collateral.

T74 IRB credit risk exposures by maturity (1)(2)

Residual maturity as at October 31 ($ millions)	2024(3) Drawn	Undrawn	Other exposures(4)	Total	2023(3) Total
Non-retail					
Less than 1 year	$ 165,202	$ 22,802	$ 72,780	$ 260,784	$ 303,851
One to 5 years	197,867	69,298	34,679	301,844	284,999
Over 5 years	48,965	1,351	5,677	55,993	53,428
Total non-retail	$ 412,034	$ 93,451	$ 113,136	$ 618,621	$ 642,278
Retail					
Less than 1 year	$ 61,421	$ 61,808	$ –	$ 123,229	$ 91,138
One to 5 years	234,961	–	–	234,961	253,126
Over 5 years	15,540	–	–	15,540	16,457
Revolving credits(5)	43,035	50,365	–	93,400	83,576
Total retail	$ 354,957	$ 112,173	$ –	$ 467,130	$ 444,297
Total	$ 766,991	$ 205,624	$ 113,136	$ 1,085,751	$ 1,086,575
As at October 31, 2023	$ 772,162	$ 195,632	$ 118,781	$ 1,086,575	

(1) Remaining term to maturity of the credit exposure. Includes all credit risk portfolios and excludes equity securities and other assets.
(2) Exposure at default, before credit risk mitigation.
(3) Regulatory amounts reported in 2024 and 2023 are under Revised Basel III requirements.
(4) Off-balance sheet lending instruments, such as letters of credit, letters of guarantee, securitization, derivatives and repo-style transactions after collateral.
(5) Credit cards and lines of credit with unspecified maturity.

T75 Total credit risk exposures and risk-weighted assets

As at October 31 ($ millions)	2024(1) IRB Exposure at Default(3)	2024(1) IRB Risk-weighted assets	2024(1) Standardized(2) Exposure at Default(3)	2024(1) Standardized(2) Risk-weighted assets	2024(1) Total Exposure at Default(3)	2024(1) Total Risk-weighted assets	2023(1) Total Exposure at Default(3)	2023(1) Total Risk-weighted assets
Non-retail								
Corporate								
Drawn	$ 204,357	$ 84,846	$ 42,169	$ 40,513	$ 246,526	$ 125,359	$ 272,658	$ 123,447
Undrawn	75,655	27,684	5,094	4,890	80,749	32,574	87,773	33,263
Other(4)	45,740	11,750	2,179	2,123	47,919	13,873	45,992	11,844
	325,752	124,280	49,442	47,526	375,194	171,806	406,423	168,554
Bank								
Drawn	17,153	4,752	2,760	1,164	19,913	5,916	20,024	5,256
Undrawn	14,446	6,856	310	90	14,756	6,946	12,888	5,774
Other(4)	14,430	3,646	91	41	14,521	3,687	15,284	3,888
	46,029	15,254	3,161	1,295	49,190	16,549	48,196	14,918
Sovereign								
Drawn	245,009	7,419	23,878	3,949	268,887	11,368	264,870	8,594
Undrawn	3,350	464	156	87	3,506	551	3,060	471
Other(4)	5,864	460	179	160	6,043	620	4,816	461
	254,223	8,343	24,213	4,196	278,436	12,539	272,746	9,526
Total Non-retail								
Drawn	466,519	97,017	68,807	45,626	535,326	142,643	557,552	137,297
Undrawn	93,451	35,004	5,560	5,067	99,011	40,071	103,721	39,508
Other(4)	66,034	15,856	2,449	2,324	68,483	18,180	66,092	16,193
	$ 626,004	$ 147,877	$ 76,816	$ 53,017	$ 702,820	$ 200,894	$ 727,365	$ 192,998
Retail								
Retail residential mortgages								
Drawn	$ 226,623	$ 28,447	$ 62,979	$ 20,120	$ 289,602	$ 48,567	$ 279,021	$ 44,696
	226,623	28,447	62,979	20,120	289,602	48,567	279,021	44,696
Secured lines of credit								
Drawn	22,963	4,364	489	171	23,452	4,535	22,652	4,142
Undrawn	56,809	2,343	104	36	56,913	2,379	51,982	2,062
	79,772	6,707	593	207	80,365	6,914	74,634	6,204
Qualifying retail revolving exposures								
Drawn	17,220	11,653	11,684	7,676	28,904	19,329	28,276	17,955
Undrawn	50,365	5,400	7,935	4,141	58,300	9,541	50,252	8,445
	67,585	17,053	19,619	11,817	87,204	28,870	78,528	26,400
Other retail								
Drawn	33,666	20,127	42,136	32,414	75,802	52,541	73,686	51,040
Undrawn/Other	4,999	2,074	1,459	1,104	6,458	3,178	6,178	3,269
	38,665	22,201	43,595	33,518	82,260	55,719	79,864	54,309
Total retail								
Drawn	300,472	64,591	117,288	60,381	417,760	124,972	403,635	117,833
Undrawn/Other	112,173	9,817	9,498	5,281	121,671	15,098	108,412	13,776
	$ 412,645	$ 74,408	$ 126,786	$ 65,662	$ 539,431	$ 140,070	$ 512,047	$ 131,609
Securitization exposures	22,206	3,424	15,451	4,367	37,657	7,791	33,047	6,182
Trading derivatives	24,896	5,195	641	606	25,537	5,801	26,228	5,331
CVA derivatives	–	–	–	4,631	–	4,631	–	4,703
Subtotal	$ 1,085,751	$ 230,904	$ 219,694	$ 128,283	$ 1,305,445	$ 359,187	$ 1,298,687	$ 340,823
Equities	–	–	7,751	18,644	7,751	18,644	6,749	16,000
Other assets(5)	–	–	46,798	20,322	46,798	20,322	48,912	21,847
Total credit risk	$ 1,085,751	$ 230,904	$ 274,243	$ 167,249	$ 1,359,994	$ 398,153	$ 1,354,348	$ 378,670

(1) Regulatory amounts reported in 2024 and 2023 are under Revised Basel III requirements.
(2) Portfolios under the Standardized Approach are reported net of specific allowances for credit losses and net of collateral amounts treated under the Comprehensive Approach.
(3) Outstanding amount for on-balance sheet exposures and loan equivalent amount foroff-balance sheet exposures, after credit risk mitigation.
(4) Other exposures include off-balance sheet lending instruments, such as letters of credit, letters of guarantee, non-trading derivatives and repo-style exposures, after collateral.
(5) Other assets include amounts related to central counterparties, net of capital deductions.

Revenues and Expenses

T76 Volume/rate analysis of change in net interest income

($ millions)	Increase (decrease) due to change in: 2024 versus 2023			Increase (decrease) due to change in: 2023 versus 2022		
	Average volume	**Average rate**	**Net change**	Average volume	Average rate	Net change
Net interest income						
Total earning assets	**$ 1,064**	**$ 3,771**	**$ 4,835**	$ 3,293	$ 19,973	$ 23,266
Total interest-bearing liabilities	**(301)**	**4,146**	**3,845**	1,205	21,914	23,119
Change in net interest income	**$ 1,365**	**$ (375)**	**$ 990**	$ 2,088	$ (1,941)	$ 147
Assets						
Deposits with banks	**$ (589)**	**$ 205**	**$ (384)**	$ (43)	$ 2,681	$ 2,638
Trading assets	**372**	**(570)**	**(198)**	(97)	1,148	1,051
Securities purchased under resale agreements	**41**	**83**	**124**	149	870	1,019
Investment securities	**1,281**	**1,244**	**2,525**	432	2,473	2,905
Loans:						
Residential mortgages	**(262)**	**1,037**	**775**	393	3,776	4,169
Personal loans	**197**	**674**	**871**	450	1,658	2,108
Credit cards	**244**	**18**	**262**	396	269	665
Business and government	**(220)**	**1,080**	**860**	1,613	7,098	8,711
Total loans	**(41)**	**2,809**	**2,768**	2,852	12,801	15,653
Total earning assets	**$ 1,064**	**$ 3,771**	**$ 4,835**	$ 3,293	$ 19,973	$ 23,266
Liabilities						
Deposits:						
Personal	**$ 362**	**$ 1,418**	**$ 1,780**	$ 312	$ 4,404	$ 4,716
Business and government	**(468)**	**2,447**	**1,979**	793	16,112	16,905
Banks	**(188)**	**259**	**71**	31	1,204	1,235
Total deposits	**(294)**	**4,124**	**3,830**	1,136	21,720	22,856
Obligations related to securities sold under repurchase agreements	**178**	**(194)**	**(16)**	62	356	418
Subordinated debentures	**(43)**	**62**	**19**	56	145	201
Other interest-bearing liabilities	**(142)**	**154**	**12**	(49)	(307)	(356)
Total interest-bearing liabilities	**$ (301)**	**$ 4,146**	**$ 3,845**	$ 1,205	$ 21,914	$ 23,119

T77 Provision for income and other taxes

For the fiscal years ($ millions)	**2024**(1)	2023(1)	**2024 versus 2023**
Income taxes			
Income tax expense	**$ 2,032**	$ 2,221	**(8.5)%**
Other taxes			
Payroll taxes	**530**	500	**6.0**
Business and capital taxes	**682**	634	**7.6**
Harmonized sales tax and other	**482**	484	**(0.4)**
Total other taxes	**1,694**	1,618	**4.7**
Total income and other taxes (2)	**$ 3,726**	$ 3,839	**(2.9)%**
Net income before income taxes	**$ 9,924**	$ 9,671	**2.6%**
Effective income tax rate (%) (3)	**20.5**	23.0	**(2.5)**
Total tax rate (%) (4)	**32.1**	34.0	**(1.9)**

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) Comprising $1,953 of Canadian taxes (2023 – $2,188) and $1,773 of foreign taxes (2023 – $1,651).
(3) Refer to Glossary on page 132 for the description of the measure.
(4) Total income and other taxes as a percentage of net income before income and other taxes.

T78 Assets under administration and management (1)

($ billions)	2024	2023
Assets under administration		
Personal		
Retail brokerage	**$ 242.9**	$ 198.3
Investment management and trust	**198.6**	180.5
	441.5	378.8
Mutual funds	**233.7**	201.5
Institutional	**96.3**	93.3
Total	**$ 771.5**	$ 673.6
Assets under management		
Personal	**$ 100.1**	$ 79.8
Mutual funds	**217.1**	186.2
Institutional	**55.8**	50.6
Total	**$ 373.0**	$ 316.6

(1) Refer to Glossary on page 132 for the description of the measure.

T79 Changes in assets under administration and management (1)

As at October 31 ($ billions)	2024	2023
Assets under administration		
Balance at beginning of year	**$ 673.6**	$ 641.6
Net inflows (outflows)	**9.7**	12.3
Impact of market changes, including foreign currency translation	**88.2**	19.7
Balance at end of year	**$ 771.5**	$ 673.6

(1) Refer to Glossary on page 132 for the description of the measure.

As at October 31 ($ billions)	2024	2023
Assets under management		
Balance at beginning of year	**$ 316.6**	$ 311.1
Net inflows (outflows)	**(0.1)**	(7.5)
Impact of market changes, including foreign currency translation	**56.5**	13.0
Balance at end of year	**$ 373.0**	$ 316.6

T80 Fees paid to the shareholders' auditors

For the fiscal years ($ millions)	2024	2023
Audit services	**$ 39.1**	$ 33.0
Audit-related services	**1.2**	1.0
Tax services outside of the audit scope	**0.4**	0.4
Other non-audit services	**1.2**	0.9
Total Bank and Subsidiaries	**$ 41.9**	$ 35.3
Mutual funds	**3.6**	3.2
Total Fees	**$ 45.5**	$ 38.5

Selected Quarterly Information

T81 Selected quarterly information

	2024(1)				2023(1)			
As at and for the quarter ended	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Operating results ($ millions)								
Net interest income	**4,923**	**4,862**	**4,694**	**4,773**	4,666	4,573	4,460	4,563
Non-interest income	**3,603**	**3,502**	**3,653**	**3,660**	3,606	3,494	3,453	3,399
Total revenue	**8,526**	**8,364**	**8,347**	**8,433**	8,272	8,067	7,913	7,962
Provision for credit losses	**1,030**	**1,052**	**1,007**	**962**	1,256	819	709	638
Non-interest expenses	**5,296**	**4,949**	**4,711**	**4,739**	5,527	4,559	4,574	4,461
Income tax expense	**511**	**451**	**537**	**533**	135	497	484	1,105
Net income	**1,689**	**1,912**	**2,092**	**2,199**	1,354	2,192	2,146	1,758
Net income attributable to common shareholders	**1,521**	**1,756**	**1,943**	**2,066**	1,214	2,067	2,018	1,620
Operating performance								
Basic earnings per share ($)	**1.23**	**1.43**	**1.59**	**1.70**	1.01	1.72	1.69	1.36
Diluted earnings per share ($)	**1.22**	**1.41**	**1.57**	**1.68**	0.99	1.70	1.68	1.35
Return on equity (%) (2)	**8.3**	**9.8**	**11.2**	**11.8**	7.0	12.0	12.2	9.8
Return on tangible common equity (%) (3)	**10.1**	**11.9**	**13.8**	**14.6**	8.8	15.0	15.3	12.4
Productivity ratio (%)(2)	**62.1**	**59.2**	**56.4**	**56.2**	66.8	56.5	57.8	56.0
Net interest margin (%)(3)	**2.15**	**2.14**	**2.17**	**2.19**	2.15	2.10	2.12	2.11
Financial position information ($ billions)								
Cash and deposits with financial institutions	**63.9**	**58.3**	**58.6**	**67.2**	90.3	90.3	63.9	81.4
Trading assets	**129.7**	**134.0**	**132.3**	**126.4**	117.9	119.3	114.7	116.3
Loans	**760.8**	**759.2**	**753.5**	**743.9**	750.9	752.2	764.1	755.2
Total assets	**1,412.0**	**1,402.4**	**1,399.4**	**1,392.9**	1,411.0	1,396.4	1,373.5	1,374.7
Deposits	**943.8**	**949.2**	**942.0**	**939.8**	952.3	957.2	945.5	949.9
Common equity	**73.6**	**72.7**	**70.6**	**70.0**	68.7	67.9	69.1	66.1
Preferred shares and other equity instruments	**8.8**	**8.8**	**8.8**	**8.8**	8.1	8.1	8.1	8.1
Assets under administration (2)	**771.5**	**761.0**	**738.9**	**715.9**	673.6	690.8	684.2	664.7
Assets under management(2)	**373.0**	**363.9**	**348.6**	**339.6**	316.6	331.3	329.5	322.4
Capital and liquidity measures								
Common Equity Tier 1 (CET1) capital ratio (%) (4)	**13.1**	**13.3**	**13.2**	**12.9**	13.0	12.7	12.3	11.5
Tier 1 capital ratio (%) (4)	**15.0**	**15.3**	**15.2**	**14.8**	14.8	14.6	14.1	13.2
Total capital ratio (%) (4)	**16.7**	**17.1**	**17.1**	**16.7**	17.2	16.9	16.2	15.2
Total loss absorbing capacity (TLAC) ratio (%) (5)	**29.7**	**29.1**	**28.9**	**28.9**	30.6	30.5	28.3	27.9
Leverage ratio (%)(6)	**4.4**	**4.5**	**4.4**	**4.3**	4.2	4.1	4.2	4.2
TLAC Leverage ratio (%)(5)	**8.8**	**8.5**	**8.4**	**8.4**	8.6	8.7	8.4	8.9
Risk-weighted assets ($ billions) (4)	**464.0**	**453.7**	**450.2**	**451.0**	440.0	439.8	451.1	471.5
Liquidity coverage ratio (LCR) (%) (7)	**131**	**133**	**129**	**132**	136	133	131	122
Net stable funding ratio (NSFR) (%) (8)	**119**	**117**	**117**	**117**	116	114	111	109
Credit quality								
Net impaired loans ($ millions)	**4,685**	**4,449**	**4,399**	**4,215**	3,845	3,667	3,554	3,450
Allowance for credit losses ($ millions) (9)	**6,736**	**6,860**	**6,768**	**6,597**	6,629	6,094	5,931	5,668
Gross impaired loans as a % of loans and acceptances (2)	**0.88**	**0.84**	**0.83**	**0.80**	0.74	0.70	0.67	0.65
Net impaired loans as a % of loans and acceptances (2)	**0.61**	**0.58**	**0.57**	**0.55**	0.50	0.47	0.45	0.44
Provision for credit losses as a % of average net loans and acceptances (annualized)(2)(10)	**0.54**	**0.55**	**0.54**	**0.50**	0.65	0.42	0.37	0.33
Provision for credit losses on impaired loans as a % of average net loans and acceptances (annualized)(2)(10)	**0.55**	**0.51**	**0.52**	**0.49**	0.42	0.38	0.33	0.29
Net write-offs as a % of average net loans and acceptances (annualized) (2)	**0.51**	**0.45**	**0.48**	**0.42**	0.35	0.34	0.29	0.29
Adjusted results(3)								
Adjusted total revenue ($ millions)	**8,526**	**8,507**	**8,347**	**8,433**	7,905	8,067	7,913	7,962
Adjusted non-interest expenses ($ millions)	**4,784**	**4,763**	**4,693**	**4,721**	4,721	4,539	4,553	4,440
Adjusted net income ($ millions)	**2,119**	**2,191**	**2,105**	**2,212**	1,643	2,207	2,161	2,352
Adjusted diluted earnings per share ($)	**1.57**	**1.63**	**1.58**	**1.69**	1.23	1.72	1.69	1.84
Adjusted return on equity (%)	**10.6**	**11.3**	**11.3**	**11.9**	8.7	12.1	12.3	13.4
Adjusted return on tangible common equity (%)	**12.8**	**13.7**	**13.8**	**14.6**	10.8	15.0	15.3	16.7
Adjusted productivity ratio (%)	**56.1**	**56.0**	**56.2**	**56.0**	59.7	56.3	57.5	55.8
Common share information								
Closing share price ($) (TSX)	**71.69**	**64.47**	**63.16**	**62.87**	56.15	66.40	67.63	72.03
Shares outstanding (millions)								
Average – Basic	**1,238**	**1,230**	**1,223**	**1,214**	1,206	1,199	1,192	1,192
Average – Diluted	**1,243**	**1,235**	**1,228**	**1,221**	1,211	1,214	1,197	1,199
End of period	**1,244**	**1,237**	**1,230**	**1,222**	1,214	1,205	1,198	1,192
Dividends paid per share ($)	**1.06**	**1.06**	**1.06**	**1.06**	1.06	1.06	1.03	1.03
Dividend yield (%) (2)	**6.3**	**6.6**	**6.4**	**7.0**	7.0	6.5	6.0	6.1
Market capitalization ($ billions) (TSX)	**89.2**	**79.8**	**77.7**	**76.8**	68.2	80.0	81.0	85.8
Book value per common share ($) (2)	**59.14**	**58.78**	**57.40**	**57.26**	56.64	56.36	57.63	55.46
Market value to book value multiple (2)	**1.2**	**1.1**	**1.1**	**1.1**	1.0	1.2	1.2	1.3
Price to earnings multiple (trailing 4 quarters) (2)	**12.0**	**11.3**	**10.5**	**10.3**	9.7	10.4	10.0	9.9

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) Refer to Glossary on page 132 for the description of the measure.
(3) Refer to page 20 for a discussion of non-GAAP measures.
(4) Commencing Q1 2024, regulatory capital ratios are based on Revised Basel III requirements as determined in accordance with OSFI Guideline – Capital Adequacy Requirements (November 2023). The Q2 2023- Q4 2023 regulatory capital ratios were based on Revised Basel III requirements as determined in accordance with OSFI Guideline – Capital Adequacy Requirements (February 2023). The Q1 2023 regulatory capital ratios were prepared in accordance with OSFI Guideline – Capital Adequacy Requirements (November 2018).
(5) This measure has been disclosed in this document in accordance with OSFI Guideline – Total Loss Absorbing Capacity (September 2018).
(6) Commencing Q2 2023 leverage ratios are based on Revised Basel III requirements as determined in accordance with OSFI Guideline – Leverage Requirements (February 2023). Q1 2023 leverage ratios were prepared in accordance with OSFI Guideline – Leverage Requirements (November 2018).
(7) This measure has been disclosed in this document in accordance with OSFI Guideline – Public Disclosure Requirements for Domestic Systemically Important Banks on Liquidity Coverage Ratio (April 2015).
(8) This measure has been disclosed in this document in accordance with OSFI Guideline – Net Stable Funding Ratio Disclosure Requirements (January 2021).
(9) Includes allowance for credit losses on all financial assets – loans, acceptances, off-balance sheet exposures, debt securities, and deposits with financial institutions.
(10) Includes provision for credit losses on certain financial assets – loans, acceptances and off-balance sheet exposures.

Selected Annual Information

T82 Selected annual information

($ millions)	2024(1)	2023(1)	2022(1)
Total revenue	**$ 33,670**	$ 32,214	$ 31,416
Net income attributable to:			
Equity holders of the Bank	**7,758**	7,338	9,916
Non-controlling interests in subsidiaries	**134**	112	258
	$ 7,892	$ 7,450	$ 10,174
Basic earnings per share (in dollars)	**$ 5.94**	$ 5.78	$ 8.05
Diluted earnings per share (in dollars)	**5.87**	5.72	8.02
Dividend paid per common share (in dollars)	**4.24**	4.18	4.06
Total assets	**1,412,027**	1,411,043	1,349,418
Deposits	**943,849**	952,333	916,181

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements. Amounts for fiscal 2022 have been prepared in accordance with IFRS 4 and have not been restated.

Ten-Year Statistical Review

T83 Condensed Consolidated Statement of Financial Position

As at October 31 ($ millions)	2024(1)(2)	2023(1)(2)	2022(1)	2021(1)	2020(1)	2019(1)	2018(1)	2017	2016	2015
Assets										
Cash, deposits with financial institutions and Precious metals	**$ 66,400**	$ 91,249	$ 66,438	$ 87,078	$ 77,641	$ 50,429	$ 65,460	$ 65,380	$ 54,786	$ 84,477
Trading assets	**129,727**	117,868	113,154	146,312	117,839	127,488	100,262	98,464	108,561	99,140
Securities purchased under resale agreements and securities borrowed	**200,543**	199,325	175,313	127,739	119,747	131,178	104,018	95,319	92,129	87,312
Investment securities	**152,832**	118,237	110,008	75,199	111,389	82,359	78,396	69,269	72,919	43,216
Loans, net of allowance	**760,829**	750,911	744,987	636,986	603,263	592,483	551,834	504,369	480,164	458,628
Other(3)	**101,696**	133,453	139,518	111,530	106,587	102,224	98,523	82,472	87,707	83,724
	$ 1,412,027	$ 1,411,043	$ 1,349,418	$ 1,184,844	$ 1,136,466	$ 1,086,161	$ 998,493	$ 915,273	$ 896,266	$ 856,497
Liabilities										
Deposits	**$ 943,849**	$ 952,333	$ 916,181	$ 797,259	$ 750,838	$ 733,390	$ 676,534	$ 625,367	$ 611,877	$ 600,919
Obligations related to securities sold under repurchase agreements and securities lent	**190,449**	160,007	139,025	123,469	137,763	124,083	101,257	95,843	97,083	77,015
Subordinated debentures	**7,833**	9,693	8,469	6,334	7,405	7,252	5,698	5,935	7,633	6,182
Other(3)	**185,820**	210,439	210,994	184,890	169,957	151,244	147,324	126,503	121,852	118,902
	1,327,951	1,332,472	1,274,669	1,111,952	1,065,963	1,015,969	930,813	853,648	838,445	803,018
Common equity	**73,590**	68,767	65,150	64,750	62,819	63,638	61,044	55,454	52,657	49,085
Preferred shares and other equity instruments	**8,779**	8,075	8,075	6,052	5,308	3,884	4,184	4,579	3,594	2,934
Non-controlling interests in subsidiaries	**1,707**	1,729	1,524	2,090	2,376	2,670	2,452	1,592	1,570	1,460
Total equity	**84,076**	78,571	74,749	72,892	70,503	70,192	67,680	61,625	57,821	53,479
	$ 1,412,027	$ 1,411,043	$ 1,349,418	$ 1,184,844	$ 1,136,466	$ 1,086,161	$ 998,493	$ 915,273	$ 896,266	$ 856,497

(1) The amounts for the years ended October 31, 2018 to October 31, 2024 have been prepared in accordance with IFRS 9; prior period amounts have not been restated.
(2) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements. Amounts for fiscal 2015 to 2022 have been prepared in accordance with IFRS 4 and have not been restated.
(3) The amounts for the years ended October 31, 2020 to October 31, 2024 have been prepared in accordance with IFRS 16; prior year amounts have not been restated.

T84 Condensed Consolidated Statement of Income

For the year ended October 31 ($ millions)	2024(1)	2023(1)	2022	2021	2020	2019	2018	2017	2016	2015
Revenue										
Net interest income(2)(3)	**$ 19,252**	$ 18,262	$ 18,115	$ 16,961	$ 17,320	$ 17,177	$ 16,191	$ 15,035	$ 14,292	$ 13,092
Non-interest income(2)(4)	**14,418**	13,952	13,301	14,291	14,016	13,857	12,584	12,120	12,058	10,957
Total revenue	**33,670**	32,214	31,416	31,252	31,336	31,034	28,775	27,155	26,350	24,049
Provision for credit losses(2)	**4,051**	3,422	1,382	1,808	6,084	3,027	2,611	2,249	2,412	1,942
Non-interest expenses(3)(4)	**19,695**	19,121	17,102	16,618	16,856	16,737	15,058	14,630	14,540	13,041
Income before taxes	**9,924**	9,671	12,932	12,826	8,396	11,270	11,106	10,276	9,398	9,066
Income tax expense	**2,032**	2,221	2,758	2,871	1,543	2,472	2,382	2,033	2,030	1,853
Net income	**$ 7,892**	$ 7,450	$ 10,174	$ 9,955	$ 6,853	$ 8,798	$ 8,724	$ 8,243	$ 7,368	$ 7,213
Net income attributable to non-controlling interests in subsidiaries	**134**	112	258	331	75	408	176	238	251	199
Net income attributable to equity holders of the Bank	**$ 7,758**	$ 7,338	$ 9,916	$ 9,624	$ 6,778	$ 8,390	$ 8,548	$ 8,005	$ 7,117	$ 7,014
Preferred shareholders and other equity instrument holders	**472**	419	260	233	196	182	187	129	130	117
Common shareholders	**$ 7,286**	$ 6,919	$ 9,656	$ 9,391	$ 6,582	$ 8,208	$ 8,361	$ 7,876	$ 6,987	$ 6,897

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements. Amounts for fiscal 2015 to 2022 have been prepared in accordance with IFRS 4 and have not been restated.
(2) The amounts for the years ended October 31, 2018 to October 31, 2024 have been prepared in accordance with IFRS 9; prior year amounts have not been restated.
(3) The amounts for the years ended October 31, 2020 to October 31, 2024 have been prepared in accordance with IFRS 16; prior year amounts have not been restated.
(4) The amounts for the years ended October 31, 2019 to October 31, 2024 have been prepared in accordance with IFRS 15; prior year amounts have not been restated.

T85 Consolidated Statement of Changes in Equity

For the year ended October 31 ($ millions)	2024[1]	2023[1]	2022	2021	2020	2019	2018
Common shares							
Balance at beginning of year	**$ 20,109**	$ 18,707	$ 18,507	$ 18,239	$ 18,264	$ 18,234	$ 15,644
Issued	**1,945**	1,402	706	268	59	255	2,708
Purchased for cancellation	**–**	–	(506)	–	(84)	(225)	(118)
Balance at end of year	**$ 22,054**	$ 20,109	$ 18,707	$ 18,507	$ 18,239	$ 18,264	$ 18,234
Retained earnings							
Balance at beginning of year	**55,673**	53,761	51,354	46,345	44,439	41,414	38,117
IFRS adjustment	**–**	(1)	–	–	–	(58)	(564)
Restated balances	**55,673**	53,760	51,354	46,345	44,439	41,356	37,553
Net income attributable to common shareholders of the Bank	**7,286**	6,919	9,656	9,391	6,582	8,208	8,361
Common dividends	**(5,198)**	(5,003)	(4,858)	(4,371)	(4,363)	(4,260)	(3,985)
Purchase of shares for cancellation and premium on redemption	**–**	–	(2,367)	–	(330)	(850)	(514)
Other	**(10)**	(3)	(24)	(11)	17	(15)	(1)
Balance at end of year	**$ 57,751**	$ 55,673	$ 53,761	$ 51,354	$ 46,345	$ 44,439	$ 41,414
Accumulated other comprehensive income (loss)							
Balance at beginning of year	**(6,931)**	(7,166)	(5,333)	(2,125)	570	992	1,577
IFRS adjustment	**–**	–	–	–	–	–	51
Restated balances	**(6,931)**	(7,166)	(5,333)	(2,125)	570	992	1,628
Cumulative effect of adopting new accounting policies	**–**	–	–	–	–	–	–
Other comprehensive income (loss)	**784**	278	(1,564)	(3,134)	(2,668)	(422)	(693)
Other	**–**	(43)	(269)	(74)	(27)	–	57
Balance at end of year	**$ (6,147)**	$ (6,931)	$ (7,166)	$ (5,333)	$ (2,125)	$ 570	$ 992
Other reserves							
Balance at beginning of year	**(84)**	(152)	222	360	365	404	116
Share-based payments[4]	**13**	14	10	7	5	7	6
Other	**3**	54	(384)	(145)	(10)	(46)	282
Balance at end of year	**$ (68)**	$ (84)	$ (152)	$ 222	$ 360	$ 365	$ 404
Total common equity	**$ 73,590**	$ 68,767	$ 65,150	$ 64,750	$ 62,819	$ 63,638	$ 61,044
Preferred shares and other equity instruments							
Balance at beginning of year	**8,075**	8,075	6,052	5,308	3,884	4,184	4,579
Net income attributable to preferred shareholders and other equity instrument holders of the Bank	**472**	419	260	233	196	182	187
Preferred and other equity instrument dividends	**(472)**	(419)	(260)	(233)	(196)	(182)	(187)
Issued	**1,004**	–	2,523	2,003	1,689	–	300
Redeemed	**(300)**	–	(500)	(1,259)	(265)	(300)	(695)
Balance at end of year	**$ 8,779**	$ 8,075	$ 8,075	$ 6,052	$ 5,308	$ 3,884	$ 4,184
Non-controlling interests							
Balance at beginning of year	**1,729**	1,524	2,090	2,376	2,670	2,452	1,592
IFRS adjustment	**–**	–	–	–	–	–	(97)
Restated balances	**1,729**	1,524	2,090	2,376	2,670	2,452	1,495
Net income attributable to non-controlling interests	**134**	112	258	331	75	408	176
Distributions to non-controlling interests	**(88)**	(101)	(115)	(123)	(148)	(150)	(199)
Effect of foreign exchange and others	**(68)**	194	(709)	(494)	(221)	(40)	980
Balance at end of year	**$ 1,707**	$ 1,729	$ 1,524	$ 2,090	$ 2,376	$ 2,670	$ 2,452
Total equity at end of year	**$ 84,076**	$ 78,571	$ 74,749	$ 72,892	$ 70,503	$ 70,192	$ 67,680

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements. Amounts for fiscal 2015 to 2022 have been prepared in accordance with IFRS 4 and have not been restated.
(2) Includes retrospective adjustments primarily related to foreign currency translation on Allowance for Credit Losses with respect to periods prior to 2013 ($152).
(3) To reflect the adoption of the own credit risk provisions of IFRS 9 pertaining to financial liabilities designated at fair value through profit or loss.
(4) Represents amounts on account of share-based payments (refer to Note 27 in the consolidated financial statements).

T86 Consolidated Statement of Comprehensive Income

For the year ended October 31 ($ millions)	2024[1]	2023[1]	2022	2021	2020	2019	2018
Net income	**$ 7,892**	$ 7,450	$ 10,174	$ 9,955	$ 6,853	$ 8,798	$ 8,724
Other comprehensive income (loss), net of income taxes:							
Items that will be reclassified subsequently to net income							
Net change in unrealized foreign currency translation gains (losses)	**(1,865)**	942	2,454	(3,520)	(2,239)	(819)	(606)
Net change in unrealized gains (losses) onavailable-for-sale securities (debt and equity)[2]	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a
Net change in fair value due to change in debt instruments measured at fair value through other comprehensive income[2]	**612**	378	(1,212)	(600)	293	105	(252)
Net change in gains (losses) on derivative instruments designated as cash flow hedges	**2,343**	245	(4,537)	(806)	(32)	708	(361)
Net changes in finance income/(expense) from insurance contracts[1]	**1**	(17)	–	–	–	–	–
Other comprehensive income (loss) from investments in associates	**(1)**	(16)	(344)	37	(2)	103	66
Items that will not be reclassified subsequently to net income							
Net change in remeasurement of employee benefit plan asset and liability	**(136)**	114	678	1,335	(465)	(815)	318
Net change in fair value due to change in equity instruments designated at fair value through other comprehensive income[2]	**338**	(180)	(74)	408	(85)	95	60
Net change in fair value due to change in own credit risk on financial liabilities designated under the fair value option	**(581)**	(985)	1,444	(199)	(298)	8	(22)
Other comprehensive income (loss) from investments in associates	**1**	2	2	5	(8)	(10)	(7)
Other comprehensive income (loss)	**712**	483	(1,589)	(3,340)	(2,836)	(625)	(804)
Comprehensive income	**$ 8,604**	$ 7,933	$ 8,585	$ 6,615	$ 4,017	$ 8,173	$ 7,920
Comprehensive income (loss) attributable to:							
Common shareholders of the Bank	**$ 8,070**	$ 7,197	$ 8,092	$ 6,257	$ 3,914	$ 7,786	$ 7,668
Preferred shareholders and other equity instrument holders of the Bank	**472**	419	260	233	196	182	187
Non-controlling interests in subsidiaries	**62**	317	233	125	(93)	205	65
	$ 8,604	$ 7,933	$ 8,585	$ 6,615	$ 4,017	$ 8,173	$ 7,920

(1) Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements. Amounts for fiscal 2015 to The 2022 have been prepared in accordance with IFRS 4 and have not been restated.
(2) amounts for the years ended October 31, 2018 to October 31, 2024 have been prepared in accordance with IFRS 9; prior period amounts have not been restated.
The

2017	2016	2015
$ 15,513	$ 15,141	$ 15,231
313	391	104
(182)	(19)	(194)
$ 15,644	$ 15,513	$ 15,141
34,752	31,316	28,609
–	–	–
34,752	31,316	28,609
7,876	6,987	6,897
(3,668)	(3,468)	(3,289)
(827)	(61)	(761)
(16)	(22)	(140)[2]
$ 38,117	$ 34,752	$ 31,316
2,240	2,455	949
–	–	–
2,240	2,455	949
–	–	(5)[3]
(663)	(215)	1,511
–	–	–
$ 1,577	$ 2,240	$ 2,455
152	173	176
8	7	14
(44)	(28)	(17)
$ 116	$ 152	$ 173
$ 55,454	$ 52,657	$ 49,085
3,594	2,934	2,934
129	130	117
(129)	(130)	(117)
1,560	1,350	–
(575)	(690)	–
$ 4,579	$ 3,594	$ 2,934
1,570	1,460	1,312
–	–	–
1,570	1,460	1,312
238	251	199
(133)	(116)	(86)
(83)	(25)	35
$ 1,592	$ 1,570	$ 1,460
$ 61,625	$ 57,821	$ 53,479

2017	2016	2015
$ 8,243	$ 7,368	$ 7,213
(1,259)	396	1,855
(55)	(172)	(480)
n/a	n/a	n/a
(28)	258	55
–	–	–
56	31	(9)
592	(716)	(1)
n/a	n/a	n/a
(21)	(16)	15
6	(10)	1
(709)	(229)	1,436
$ 7,534	$ 7,139	$ 8,649
$ 7,213	$ 6,772	$ 8,408
129	130	117
192	237	124
$ 7,534	$ 7,139	$ 8,649

T87 Other statistics

For the year ended October 31	**2024(1)**	2023(1)	2022	2021	2020	2019	2018
Operating performance							
Basic earnings per share ($)	**5.94**	5.78	8.05	7.74	5.43	6.72	6.90
Diluted earnings per share ($)	**5.87**	5.72	8.02	7.70	5.30	6.68	6.82
Return on equity (%) (2)	**10.2**	10.3	14.8	14.7	10.4	13.1	14.5
Productivity ratio (%)(2)	**58.5**	59.4	54.4	53.2	53.8	53.9	52.3
Return on assets (%) (2)	**0.56**	0.53	0.79	0.86	0.59	0.83	0.92
Net interest margin (%)(3)	**2.16**	2.12	2.20	2.23	2.27	2.44	2.46
Capital measures(2)							
Common Equity Tier 1 (CET1) capital ratio (%) (4)	**13.1**	13.0	11.5	12.3	11.8	11.1	11.1
Tier 1 capital ratio (%) (4)	**15.0**	14.8	13.2	13.9	13.3	12.2	12.5
Total capital ratio (%) (4)	**16.7**	17.2	15.3	15.9	15.5	14.2	14.3
Leverage ratio (%)(5)	**4.4**	4.2	4.2	4.8	4.7	4.2	4.5
Common share information							
Closing share price ($) (TSX)	**71.69**	56.15	65.85	81.14	55.35	75.54	70.65
Number of shares outstanding (millions)	**1,244**	1,214	1,191	1,215	1,211	1,216	1,227
Dividends paid per share ($)	**4.24**	4.18	4.06	3.60	3.60	3.49	3.28
Dividend yield (%)(2)(6)	**6.5**	6.5	5.1	5.2	5.8	4.9	4.2
Price to earnings multiple (trailing 4 quarters) (2)	**12.0**	9.7	8.2	10.5	10.2	11.2	10.2
Book value per common share ($) (2)	**59.14**	56.64	54.68	53.28	51.85	52.33	49.75
Other information							
Average total assets ($ millions)	**1,419,284**	1,396,092	1,281,708	1,157,213	1,160,584	1,056,063	945,683
Number of branches and offices	**2,236**	2,379	2,439	2,573	2,618	3,109	3,095
Number of employees	**88,488**	89,483	90,979	89,488	91,447	101,380	97,021
Number of automated banking machines	**8,533**	8,679	8,610	8,610	8,791	9,391	9,029

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements. Amounts for fiscal 2015 to 2022 have been prepared in accordance with IFRS 4 and have not been restated.
(2) Refer to Glossary on page 132 for the description of the measure.
(3) Refer to page 20 for a discussion of non-GAAP measures.
(4) 2024 regulatory capital ratios are based on Revised Basel III requirements as determined in accordance with OSFI Guideline – Capital Adequacy Requirements (November 2023). 2023 regulatory capital ratios were 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).
(5) 2024 and 2023 leverage ratios are based on Revised Basel III requirements as determined in accordance with OSFI Guideline – Leverage Requirements (February 2023). Prior period leverage ratios were prepared in accordance with OSFI Guideline – Leverage Requirements (November 2018).
(6) Based on the average of the high and low common share price for the year.

2017	2016	2015
6.55	5.80	5.70
6.49	5.77	5.67
14.6	13.8	14.6
53.9	55.2	54.2
0.90	0.81	0.84
2.46	2.38	2.39
11.5	11.0	10.3
13.1	12.4	11.5
14.9	14.6	13.4
4.7	4.5	4.2
83.28	72.08	61.49
1,199	1,208	1,203
3.05	2.88	2.72
4.0	4.7	4.4
12.7	12.4	10.8
46.24	43.59	40.80
912,619	913,844	860,607
3,003	3,113	3,177
87,761	88,901	89,214
8,140	8,144	8,191

Glossary

Allowance for Credit Losses: An allowance set aside which, in management's opinion, is adequate to absorb credit-related losses on all financial assets and off-balance sheet exposures subject to impairment assessment. It includes allowances for performing financial assets and impaired financial assets.

Allowance for Credit Losses Ratio: The ratio of period end total allowance for credit losses (excluding debt securities and deposits with financial institutions) divided by gross loans and acceptances.

Allowance for Impaired Loans Ratio: The ratio of period end impaired allowance for credit losses (excluding debt securities and deposits with financial institutions) divided by gross loans and acceptances.

Allowance for Performing Loans Ratio: The ratio of period end performing allowance for credit losses (excluding debt securities and deposits with financial institutions) divided by gross loans and acceptances.

Allowance against Impaired Loans as a % of Gross Impaired Loans: The ratio of allowance against impaired loans to gross impaired loans.

Assets Under Administration (AUA): Assets administered by the Bank which are beneficially owned by clients and therefore not reported on the Bank's Consolidated Statement of Financial Position. Services provided for AUA are of an administrative nature, such as trusteeship, custodial, safekeeping, income collection and distribution, securities trade settlements, customer reporting, and other similar services.

Assets Under Management (AUM): Assets managed by the Bank on a discretionary basis and in respect of which the Bank earns investment management fees. AUM are beneficially owned by clients and are therefore not reported on the Bank's Consolidated Statement of Financial Position. Some AUM are also administered assets and are therefore included in assets under administration.

Bankers' Acceptances (BAs): Negotiable, short-term debt securities, guaranteed for a fee by the issuer's bank.

Basis Point: A unit of measure defined as one-hundredth of one percent.

Book Value per Common Share: Common shareholders' equity divided by the number of outstanding common shares at the end of the period.

Canadian Overnight Repo Rate Average (CORRA): CORRA measures the cost of overnight general collateral funding in Canadian dollars using Government of Canada treasury bills and bonds as collateral for repurchase transactions.

Common Equity Tier 1 (CET1), Tier 1 and Total Capital Ratios: Under Revised Basel III, there are three primary regulatory capital ratios used to assess capital adequacy, CET1, Tier 1 and Total capital ratios, which are determined by dividing those capital components by their respective risk-weighted assets.

CET1 consists primarily of common shareholders' equity net of regulatory adjustments. These regulatory adjustments include goodwill, intangible assets net of deferred tax liabilities, deferred tax assets that rely on future profitability, defined-benefit pension fund net assets, shortfall of credit provision to expected losses and significant investments in common equity of other financial institutions.

Tier 1 includes CET1 and additional Tier 1 capital which consists primarily of qualifying non-cumulative preferred shares, non-cumulative subordinated additional Tier 1 capital notes and limited recourse capital notes. Tier 2 capital consists mainly of qualifying subordinated debentures and the eligible allowances for credit losses.

Total capital is comprised of CET1 capital, Tier 1 capital and Tier 2 capital.

Covered Bonds: Debt obligations of the Bank for which the payment of all amounts of interest and principal are unconditionally and irrevocably guaranteed by a limited partnership and secured by a pledge of the covered bond portfolio. The assets in the covered bond portfolio held by the limited partnership consist of first lien Canadian uninsured residential mortgages or first lien Canadian residential mortgages insured under CMHC Mortgage Insurance, respectively, and their related security interest.

Derivative Products: Financial contracts whose value is derived from an underlying price, interest rate, exchange rate or price index. Forwards, options and swaps are all derivative instruments.

Dividend Yield: Dividends per common share divided by the average of the high and low share price in the relevant period.

Effective Tax Rate: The effective tax rate is the overall tax rate paid by the Bank on its earned income. The effective tax rate is calculated by dividing the Bank's income tax expenses by the income before taxes.

Fair Value: The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal, or in its absence, the most advantageous market to which the Bank has access at the measurement date.

Foreign Exchange Contracts: Commitments to buy or sell a specified amount of foreign currency on a set date and at a predetermined rate of exchange.

Forward Rate Agreement (FRA): A contract between two parties, whereby a designated interest rate, applied to a notional principal amount, is locked in for a specified period of time. The difference between the contracted rate and prevailing market rate is paid in cash on the settlement date. These agreements are used to protect against, or take advantage of, future interest rate movements.

Futures: Commitments to buy or sell designated amounts of commodities, securities or currencies on a specified date at a predetermined price. Futures are traded on recognized exchanges. Gains and losses on these contracts are settled daily, based on closing market prices.

Gross Impaired Loans as a % of Loans and Acceptances: The ratio of gross impaired loans, debt investments and off-balance sheet exposures expressed as a percentage of loans and acceptances.

Hedging: Protecting against price, interest rate or foreign exchange exposures by taking positions that are expected to react to market conditions in an offsetting manner.

Impaired Loans: Loans on which the Bank no longer has reasonable assurance as to the timely collection of interest and principal, or where a contractual payment is past due for a prescribed period or the customer is declared to be bankrupt.

Leverage Ratio: The ratio of Basel III Tier 1 capital to a leverage exposure measure which includes on-balance sheet assets and off-balance sheet commitments, derivatives and securities financing transactions, as defined within the OSFI Leverage Requirements Guideline.

Liquidity Coverage Ratio (LCR): The ratio of high quality liquid assets to stressed net cash outflows over a 30 calendar day time horizon, as defined within the OSFI Liquidity Adequacy Requirements Guideline.

Marked-To-Market: The valuation of certain financial instruments at fair value as of the Consolidated Statement of Financial Position date.

Market Value to Book Value Multiple: This financial valuation metric is calculated by dividing the current closing share price of the period by the book value per common share.

Net Impaired Loans as a % of Loans and Acceptances: The ratio of net impaired loans, debt investments and off-balance sheet exposures expressed as a percentage of loans and acceptances.

Net Interest Margin: Net interest margin is used to measure the return generated by the Bank's core earning assets, net of the cost of funding. Net interest margin is calculated as core net interest income divided by average core earning assets.

Net Stable Funding Ratio (NSFR): The ratio of available stable funding to required stable funding, as defined within the OSFI Liquidity Adequacy Requirements Guideline.

Net Write-offs as a % of Average Net Loans and Acceptances: The ratio of net write-offs expressed as a percentage of average net loans and acceptances.

Non-Viability Contingent Capital (NVCC): In order to qualify for inclusion in regulatory capital, all non-common Tier 1 and Tier 2 capital instruments must be capable of absorbing losses at the point of non-viability of a financial institution. This will ensure that investors in such instruments bear losses before taxpayers where the government determines that it is in the public interest to rescue a non-viable bank.

Notional Principal Amounts: The contract or principal amounts used to determine payments for certain off-balance sheet instruments and derivatives, such as FRAs, interest rate swaps and cross-currency swaps. The amounts are termed "notional" because they are not usually exchanged themselves, serving only as the basis for calculating amounts that do change hands.

Off-Balance Sheet Instruments: These are indirect credit commitments, including undrawn commitments to extend credit and derivative instruments, which are not recorded on the Bank's balance sheet under IFRS.

Operating Leverage: This financial metric measures the rate of growth in total revenue less the rate of growth in non-interest expenses.

Options: Contracts between buyer and seller giving the buyer of the option the right, but not the obligation, to buy (call) or sell (put) a specified commodity, financial instrument or currency at a set price or rate on or before a specified future date.

OSFI: The Office of the Superintendent of Financial Institutions Canada, the regulator of Canadian banks.

Price to Earnings Multiple (Trailing 4 Quarters): Closing share price at period end divided by cumulative basic earnings per common share (EPS) of the past 4 quarters.

Productivity Ratio: This ratio represents non-interest expenses as a percentage of total revenue. Management uses the productivity ratio as a measure of the Bank's efficiency.

Provision for Credit Losses (PCL) as a % of Average Net Loans and Acceptances: The ratio of PCL on loans, acceptances and off-balance sheet exposures expressed as a percentage of average net loans and acceptances.

Provision for Credit Losses (PCL) on Impaired Loans as a % of Average Net Loans and Acceptances: PCL on impaired loans ratio under IFRS 9 is calculated using PCL on impaired loans, acceptances and off-balance sheet exposures as a percentage of average net loans and acceptances.

Repos: Repos is short for "obligations related to securities sold under repurchase agreements" – a short-term transaction where the Bank sells assets, normally government bonds, to a client and simultaneously agrees to repurchase them on a specified date and at a specified price. It is a form of short-term funding.

Return on Assets (ROA): Net income expressed as a percentage of total average assets.

Return on Equity (ROE): Net income attributable to common shareholders, expressed as a percentage of average common shareholders' equity. The Bank attributes capital to its business lines on a basis that approximates 11.5% of Basel III common equity capital requirements which includes credit, market and operational risks and leverage inherent in each operating segment. Return on equity for the operating segments is calculated as a ratio of net income attributable to common shareholders of the operating segment and the capital attributed.

Return on Tangible Common Equity (ROTCE): Return on Tangible Common Equity is calculated by dividing the net income attributable to common shareholders, adjusted for the amortization of intangibles (excluding software), by average tangible common equity. Tangible common equity is defined as common shareholders' equity adjusted for goodwill and acquisition-related intangible assets (excluding software), net of deferred taxes.

Reverse Repos: Reverse repos is short for "securities purchased under resale agreements" – a short-term transaction where the Bank purchases assets, normally government bonds, from a client and simultaneously agrees to resell them on a specified date and at a specified price. It is a form of short-term collateralized lending.

Risk-Weighted Assets: Comprised of three broad categories including credit risk, market risk and operational risk, which are computed under the Revised Basel III Framework in accordance with OSFI Guideline – Capital Adequacy Requirements (November 2023). Risk-weighted assets for credit risk are calculated using modelled parameters, formulas and risk-weight requirements as specified by the Revised Basel III Framework. In addition, the Bank uses both internal models and standardized approaches to calculate market risk capital and standardized approaches for operational risk capital which are converted to risk-weighted assets.

Securitization: The process by which financial assets (typically loans) are transferred to a trust, which normally issues a series of different classes of asset-backed securities to investors to fund the purchase of loans.

Structured Entities: A structured entity is defined as an entity created to accomplish a narrow and well-defined objective. A structured entity may take the form of a corporation, trust, partnership or unincorporated entity. Structured entities are often created with legal arrangements that impose strict and sometimes permanent limits on the decision-making powers of their governing board, trustee or management over the operations of the entity.

Standby Letters of Credit and Letters of Guarantee: Written undertakings by the Bank, at the request of the customer, to provide assurance of payment to a third-party regarding the customer's obligations and liabilities to that third-party.

Structured Credit Instruments: A wide range of financial products which includes Collateralized Debt Obligations, Collateralized Loan Obligations, Structured Investment Vehicles, and Asset-Backed Securities. These instruments represent investments in pools of credit-related assets, whose values are primarily dependent on the performance of the underlying pools.

Swaps: Interest rate swaps are agreements to exchange streams of interest payments, typically one at a floating rate, the other at a fixed rate, over a specified period of time, based on notional principal amounts. Cross-currency swaps are agreements to exchange payments in different currencies over predetermined periods of time.

Taxable Equivalent Basis (TEB): The Bank analyzes net interest income, non-interest income, and total revenue on a taxable equivalent basis (TEB). This methodology grosses up tax-exempt income earned on certain securities reported in either net interest income or non-interest income to an equivalent before tax basis. A corresponding increase is made to the provision for income taxes; hence, there is no impact on net income. Management believes that this basis for measurement provides a uniform comparability of net interest income and non-interest income arising from both taxable and non-taxable sources and facilitates a consistent basis of measurement. While other banks also use TEB, their methodology may not be comparable to the Bank's methodology. For purposes of segmented reporting, a segment's revenue and provision for income taxes are grossed up by the taxable equivalent amount. The elimination of the TEB gross-up is recorded in the Other segment.

Total Annual Shareholder Return (TSR): Total annual shareholder return is calculated as the overall change in share price, plus any dividends paid during the year; this sum is then divided by the share price at the beginning of the year to arrive at the TSR. Total annual shareholder return assumes reinvestment of quarterly dividends.

Total Loss Absorbing Capacity (TLAC): The aggregate of NVCC Tier 1 capital, NVCC Tier 2 capital, and other TLAC instruments that are subject to conversion in whole or in part into common shares under the CDIC Act and meet all of the eligibility criteria under the OSFI guideline – Total Loss Absorbing Capacity (September 2018).

Other TLAC Instruments include prescribed shares and liabilities that are subject to conversion into common shares pursuant to the CDIC Act and which meet all of the eligibility criteria set out in the Total Loss Absorbing Capacity (TLAC) Guidelines.

Value At Risk (VaR): An estimate of the potential loss that might result from holding a position for a specified period of time, with a given level of statistical confidence.

Yield Curve: A graph showing the term structure of interest rates, plotting the yields of similar quality bonds by term to maturity.

Basel III Glossary

Credit Risk Parameters

Exposure at Default (EAD): Generally represents the expected gross exposure – outstanding amount for on-balance sheet exposure and loan equivalent amount for off-balance sheet exposure at default.

Probability of Default (PD): Measures the likelihood that a borrower will default within a one-year time horizon, expressed as a percentage.

Loss Given Default (LGD): Measures the severity of loss on a facility in the event of a borrower's default, expressed as a percentage of exposure at default.

Exposure Types

Non-retail

Corporate: Defined as a debt obligation of a corporation, partnership, or proprietorship.

Bank: Defined as a debt obligation of a bank or bank equivalent.

Sovereign: Defined as a debt obligation of a sovereign, central bank, multi development banks and public sector entities (PSEs) as defined in the OSFI Guideline – Capital Adequacy Requirements (November 2023).

Securitization: On-balance sheet investments in asset-backed securities, mortgage-backed securities, collateralized loan obligations and collateralized debt obligations, off-balance sheet liquidity lines to the Bank's own sponsored and third-party conduits and credit enhancements.

Retail

Residential Mortgage: Loans to individuals against residential property (four units or less).

Secured Lines of Credit: Revolving personal lines of credit secured by residential real estate.

Qualifying Revolving Retail Exposures: Credit cards and unsecured lines of credit for individuals.

Other Retail: All other personal loans.

Exposure Sub-types

Drawn: Outstanding amounts for loans, leases, acceptances, deposits with banks and FVOCI debt securities.

Undrawn: Unutilized portion of authorized committed credit lines.

Other Exposures

Repo-Style Transactions: Reverse repurchase agreements (reverse repos) and repurchase agreements (repos), securities lending and borrowing.

OTC Derivatives: Over-the-counter derivatives contracts refers to financial instruments which are traded through a dealer network rather than through an exchange.

Other Off-balance Sheet: Direct credit substitutes, such as standby letters of credit and guarantees, trade letters of credit, and performance letters of credit and guarantees.

Exchange-Traded Derivative Contracts: Exchange-traded derivative contracts are derivative contracts (e.g., futures contracts and options) that are transacted on an organized futures exchange. These include futures contracts (both long and short positions), purchased options and written options.

Qualifying Central Counterparty (QCCP): A licensed central counterparty is considered "qualifying" when it is compliant with the International Organization of Securities Commissions (IOSCO) standards and is able to assist clearing member banks in properly capitalizing for CCP exposures.

Asset Value Correlation Multiplier (AVC): Revised Basel III has higher risk-weights on exposures to certain Financial Institutions (FIs) relative to the non-financial corporate sector by introducing an AVC. The correlation factor in the risk-weight formula is multiplied by this AVC factor of 1.25 for all exposures to regulated FIs whose total assets are greater than or equal to CAD $150 billion and all exposures to unregulated FIs.

Specific Wrong-Way Risk (WWR): Specific Wrong-Way Risk arises when the exposure to a particular counterparty is positively correlated with the probability of default of the counterparty due to the nature of the transactions with the counterparty.

Basel III Regulatory Capital Floor: Since the introduction of Basel II in 2008, OSFI has prescribed a minimum regulatory capital floor for institutions that use the advanced internal ratings-based approach for credit risk. Effective Q2 2023, the capital floor add-on is determined under the Revised Basel III Framework by comparing RWA generated for IRB and standardized portfolios to RWA calculated under a standardized approach at the required capital floor calibration. A shortfall to the capital floor RWA requirement is added to the Bank's RWA.

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The management of The Bank of Nova Scotia (the Bank) is responsible for the integrity and fair presentation of the financial information contained in this Annual Report. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The consolidated financial statements also comply with the accounting requirements of the Bank Act.

The consolidated financial statements, where necessary, include amounts which are based on the best estimates and judgment of management. Financial information presented elsewhere in this Annual Report is consistent with that shown in the consolidated financial statements.

Management has always recognized the importance of the Bank maintaining and reinforcing the highest possible standards of conduct in all of its actions, including the preparation and dissemination of statements fairly presenting the financial condition of the Bank. In this regard, management has developed and maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition, and liabilities are recognized. The system is augmented by written policies and procedures, the careful selection and training of qualified staff, the establishment of organizational structures providing an appropriate and well-defined division of responsibilities, and the communication of policies and guidelines of Scotiabank's Code of Conduct throughout the Bank.

Management, under the supervision of and the participation of the President and Chief Executive Officer and the Group Head and Chief Financial Officer, have a process in place to evaluate disclosure controls and procedures and internal control over financial reporting in line with Canadian and U.S. securities regulations.

The system of internal controls is further supported by a professional staff of internal auditors who conduct periodic audits of all aspects of the Bank's operations. As well, the Bank's Chief Auditor has full and free access to, and meets periodically with the Audit and Conduct Review Committee of the Board of Directors. In addition, the Bank's compliance function maintains policies, procedures and programs directed at ensuring compliance with regulatory requirements, including conflict of interest rules.

The Office of the Superintendent of Financial Institutions Canada, which is mandated to protect the rights and interests of the depositors and creditors of the Bank, examines and enquires into the business and affairs of the Bank, as deemed necessary, to determine whether the provisions of the Bank Act are being complied with, and that the Bank is in a sound financial condition.

The Audit and Conduct Review Committee, composed entirely of outside directors, reviews the consolidated financial statements with both management and the independent auditors before such statements are approved by the Board of Directors and submitted to the shareholders of the Bank.

The Audit and Conduct Review Committee reviews and reports its findings to the Board of Directors on all related party transactions that may have a material impact on the Bank.

KPMG LLP, the independent auditors appointed by the shareholders of the Bank, have audited the consolidated financial position of the Bank as at October 31, 2024 and October 31, 2023 and its consolidated financial performance and its consolidated cash flows for each of the years in the two-year period ended October 31, 2024 prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB) in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States) and the effectiveness of internal control over financial reporting and have expressed their opinions upon completion of such audits in the reports to the shareholders. The Shareholders' Auditors have full and free access to, and meet periodically with, the Audit and Conduct Review Committee to discuss their audits, including any findings as to the integrity of the Bank's accounting, financial reporting and related matters.

Scott Thomson
President and Chief Executive Officer

Raj Viswanathan
Group Head and Chief Financial Officer

Toronto, Canada
December 3, 2024

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Consolidated Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of The Bank of Nova Scotia

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of The Bank of Nova Scotia (the Bank) as of October 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Bank as of October 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended, in conformity with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Bank's internal control over financial reporting as of October 31, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated December 3, 2024 expressed an unqualified opinion on the effectiveness of the Bank's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Bank in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the Audit and Conduct Review Committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

(i) Assessment of Allowance for Credit Losses (ACL)

Refer to Notes 3 and 14 to the consolidated financial statements.

The Bank's ACL on loans was $6,536 million as at October 31, 2024. The Bank applies a three-stage approach to measure the ACL, using an expected credit loss (ECL) approach as required under IFRS 9 Financial Instruments. The Bank's ACL calculations are outputs of a set of complex models. The ACL calculations reflect probability-weighted outcomes that consider multiple scenarios based on reasonable and supportable forecasts. The probability of default (PD), loss given default (LGD) and exposure at default (EAD) inputs used to estimate ECL are modeled based on historical default and loss experience, and macroeconomic variables that are closely related with credit losses in the relevant portfolio. The Bank assesses whether there has been a significant increase in credit risk since origination or where the financial asset is in default. If there has been a significant increase in credit risk or the financial asset is in default, then lifetime ACL is recorded; otherwise, an ACL equal to 12 month expected credit losses is recorded. The estimation of ECL for each stage and the assessment of significant increases in credit risk consider information about past events and current conditions as well as forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgment. Qualitative adjustments or overlays may also be recorded as temporary adjustments using expert credit judgment where the inputs, assumptions and/or models do not capture all relevant risk factors. The use of management overlays requires significant judgment that may impact the amount of ACL recognized.

We identified the assessment of the ACL as a critical audit matter. Significant auditor judgment was required because there was a high degree of measurement uncertainty due to the significant management judgments inherent in certain of the Bank's key modeled inputs and methodologies. These management judgments impact certain inputs, assumptions, qualitative adjustments or overlays, and the determination of when there has been a significant increase in credit risk. The assessment of the ACL also required significant auditor attention and complex auditor judgment to apply and evaluate the results of audit procedures. Further, specialized skills and knowledge, including experience in the industry, were required to apply audit procedures and evaluate the results of those procedures.

The following are the primary procedures we performed to address this critical audit matter. With the involvement of our credit risk and economics professionals with specialized skills, industry knowledge and relevant experience, we evaluated the design and tested the operating effectiveness of certain internal controls related to the Bank's ACL process. These included internal controls related to: (1) initial and periodic validation and performance monitoring of models used to derive key modeled inputs into the ACL calculation being PD, LGD and EAD; (2) benchmarking of certain macroeconomic variables, model validation associated with the derivation of the remaining variables and the alternative scenarios and review of probability weights used in the ACL models; (3) the methodology used to determine whether there has been a significant increase in credit risk; and (4) the methodology and assumptions used in the determination of qualitative adjustments or overlays. Additionally, for non-retail loans, we tested certain internal controls related to loan reviews over the determination of loan risk grades. We involved credit risk and economics professionals with specialized skills, industry knowledge and relevant experience who assisted in: (1) evaluating the methodology and models used to derive key modeled inputs into the ACL calculation being PD, LGD and EAD and the determination of whether there has been a significant increase in credit risk; (2) assessing the appropriateness of certain underlying macroeconomic variables against external economic data, evaluating the models used to derive other macroeconomic variables and evaluating the assumptions associated with the alternative economic scenarios and

Consolidated Financial Statements

the related probabilities; and (3) assessing the qualitative adjustments or overlays by applying our knowledge of the industry and credit judgment to evaluate the appropriateness of the Bank's underlying methodology and assumptions. Additionally, for a selection of non-retail loans, we evaluated the Bank's assigned loan risk grades against the Bank's borrower risk rating methodology.

(ii) Assessment of the Measurement of Fair Value of Certain Financial Instruments

Refer to Notes 3 and 8 to the consolidated financial statements.

The Bank measures certain financial assets and financial liabilities at fair value on a recurring basis. Where such financial instruments trade in inactive markets or when using internal models where observable parameters do not exist, significant management judgment is required in the selection of valuation techniques and model inputs. The valuation techniques used in determining the fair value of financial instruments include internal models and net asset valuations. The significant unobservable inputs used in the Bank's valuation techniques include general partner valuations per net asset values (NAVs), interest rate volatility, equity volatility and equity correlation.

We identified the assessment of the measurement of fair value for certain financial instruments as a critical audit matter. Significant auditor judgment was required because there was a high degree of measurement uncertainty due to significant judgments inherent in the Bank's valuation techniques and significant unobservable inputs used to develop the fair value of certain financial assets and financial liabilities. The assessment of the fair value also required significant auditor attention and complex auditor judgment to apply and evaluate the results of audit procedures. Further, specialized skills and knowledge, including experience in the industry, were required to apply audit procedures and evaluate the results of those procedures.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Bank's processes to determine the fair value of certain financial instruments with the involvement of valuation and information technology professionals with specialized skills, industry knowledge and relevant experience. These included internal controls related to: (1) model validation at inception and periodically; (2) management's review of NAVs; (3) independent price verification, including assessment of rate sources; and (4) segregation of duties and access controls. With the involvement of valuation professionals with specialized skills, industry knowledge and relevant experience, we tested the fair value of a selection of certain financial instruments. Depending on the nature of the financial instruments, we did this by comparing the NAVs to external information or by developing an independent estimate of fair value and comparing it to the fair value determined by the Bank.

(iii) Assessment of Uncertain Tax Provisions

Refer to Notes 3 and 28 to the consolidated financial statements.

The Bank maintains provisions for uncertain tax positions that it believes appropriately reflect the risk of tax positions under discussion, audit, dispute, or appeal with tax authorities, or which are otherwise considered to involve uncertainty. These provisions are made using the Bank's best estimate of the amount expected to be paid based on an assessment of all relevant factors, which are reviewed at the end of each reporting period.

We identified the assessment of some uncertain tax provisions as a critical audit matter. Significant auditor judgment was required because there was a high degree of measurement uncertainty due to the significant judgments inherent in the Bank's interpretation of tax legislation and its best estimate of the ultimate resolution of tax positions. This required significant auditor attention and complex auditor judgment to evaluate the results of audit procedures. Further, specialized skills, industry knowledge, and relevant experience were required to apply audit procedures and evaluate the results of those procedures.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Bank's income tax uncertainties process with the involvement of taxation professionals with specialized skills, industry knowledge and relevant experience. These included internal controls related to: (1) the interpretation of tax legislation and the evaluation of the technical merits of tax positions; and (2) the determination of the best estimate of the provision required for these tax uncertainties. We involved tax professionals with specialized skills and knowledge, who assisted in: (1) evaluating the Bank's interpretations of tax legislation based on our knowledge and experience; (2) reading and evaluating advice obtained by the Bank from external counsel, and considering its impact on the measurement, if applicable, of the uncertain tax provisions; and (3) inspecting correspondence with applicable taxation authorities.



Chartered Professional Accountants, Licensed Public Accountants

We have served as the Bank's auditor since 2006 and as joint auditor for 14 years prior to that.

Toronto, Canada
December 3, 2024

Consolidated Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of The Bank of Nova Scotia

Opinion on Internal Control Over Financial Reporting

We have audited The Bank of Nova Scotia's internal control over financial reporting as of October 31, 2024, based on the criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, The Bank of Nova Scotia (the Bank) maintained, in all material respects, effective internal control over financial reporting as of October 31, 2024, based on the criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial position of the Bank as of October 31, 2024, and 2023, the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended, and the related notes (collectively, the consolidated financial statements) and our report dated December 3, 2024 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Bank's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the Controls and Accounting Policies section of Management's Discussion and Analysis under the heading "Internal control over financial reporting". Our responsibility is to express an opinion on the Bank's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Bank in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada
December 3, 2024

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Consolidated Statement of Financial Position

As at October 31 ($ millions)	Note	2024[1]	2023[1]
Assets			
Cash and deposits with financial institutions	7	$ 63,860	$ 90,312
Precious metals		2,540	937
Trading assets			
Securities	9(a)	119,912	107,612
Loans	9(b)	7,649	7,544
Other		2,166	2,712
		129,727	117,868
Securities purchased under resale agreements and securities borrowed		200,543	199,325
Derivative financial instruments	11	44,379	51,340
Investment securities	13	152,832	118,237
Loans			
Residential mortgages	14	350,941	344,182
Personal loans	14	106,379	104,170
Credit cards	14	17,374	17,109
Business and government	14	292,671	291,822
		767,365	757,283
Allowance for credit losses	14(e)	6,536	6,372
		760,829	750,911
Other			
Customers' liability under acceptances, net of allowance		148	18,628
Property and equipment	17	5,252	5,642
Investments in associates	18	1,821	1,925
Goodwill and other intangible assets	19	16,853	17,193
Deferred tax assets	28(c)	2,942	3,541
Other assets	20	30,301	35,184
		57,317	82,113
		$ 1,412,027	$ 1,411,043
Liabilities			
Deposits			
Personal	21	$ 298,821	$ 288,617
Business and government	21	600,114	612,267
Financial institutions	21	44,914	51,449
		943,849	952,333
Financial instruments designated at fair value through profit or loss	10	36,341	26,779
Other			
Acceptances		149	18,718
Obligations related to securities sold short		35,042	36,403
Derivative financial instruments	11	51,260	58,660
Obligations related to securities sold under repurchase agreements and securities lent		190,449	160,007
Subordinated debentures	22	7,833	9,693
Other liabilities	23	63,028	69,879
		347,761	353,360
		1,327,951	1,332,472
Equity			
Common equity			
Common shares	25(a)	22,054	20,109
Retained earnings		57,751	55,673
Accumulated other comprehensive income (loss)		(6,147)	(6,931)
Other reserves		(68)	(84)
Total common equity		73,590	68,767
Preferred shares and other equity instruments	25(b)	8,779	8,075
Total equity attributable to equity holders of the Bank		82,369	76,842
Non-controlling interests in subsidiaries	32(b)	1,707	1,729
		84,076	78,571
		$ 1,412,027	$ 1,411,043

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4.

Aaron W. Regent
Chair of the Board

Scott Thomson
President and Chief Executive Officer

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Financial Statements

Consolidated Statement of Income

For the year ended October 31 ($ millions)	Note	2024[1]	2023[1]
Revenue			
Interest income[2]	33		
Loans		**$ 47,811**	$ 45,043
Securities		**9,160**	6,833
Securities purchased under resale agreements and securities borrowed		**1,602**	1,478
Deposits with financial institutions		**3,086**	3,470
		61,659	56,824
Interest expense	33		
Deposits		**39,480**	35,650
Subordinated debentures		**490**	471
Other		**2,437**	2,441
		42,407	38,562
Net interest income		**19,252**	18,262
Non-interest income			
Card revenues		**869**	778
Banking services fees		**1,955**	1,879
Credit fees		**1,585**	1,861
Mutual funds		**2,282**	2,127
Brokerage fees		**1,251**	1,117
Investment management and trust		**1,096**	1,029
Underwriting and advisory fees		**702**	554
Non-trading foreign exchange		**930**	911
Trading revenues		**1,634**	1,580
Net gain on sale of investment securities	13(e)	**48**	129
Net income from investments in associated corporations	18	**198**	153
Insurance service results		**470**	413
Other fees and commissions		**1,247**	1,073
Other		**151**	348
		14,418	13,952
Total revenue		**33,670**	32,214
Provision for credit losses	14(e)	**4,051**	3,422
		29,619	28,792
Non-interest expenses			
Salaries and employee benefits		**9,855**	9,590
Premises and technology		**2,896**	2,657
Depreciation and amortization		**1,760**	1,820
Communications		**381**	395
Advertising and business development		**614**	576
Professional		**793**	779
Business and capital taxes		**682**	634
Other		**2,714**	2,670
		19,695	19,121
Income before taxes		**9,924**	9,671
Income tax expense	28	**2,032**	2,221
Net income		**$ 7,892**	$ 7,450
Net income attributable to non-controlling interests in subsidiaries	32(b)	**134**	112
Net income attributable to equity holders of the Bank		**$ 7,758**	$ 7,338
Preferred shareholders and other equity instrument holders		**472**	419
Common shareholders		**$ 7,286**	$ 6,919
Earnings per common share (in dollars)			
Basic	34	**$ 5.94**	$ 5.78
Diluted	34	**5.87**	5.72
Dividends paid per common share (in dollars)	25(a)	**4.24**	4.18

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4.
(2) Includes interest income on financial assets measured at amortized cost and FVOCI, calculated using the effective interest method, of $9,871 for the year ended October 31, 2024 (October 31, 2023 – $4,824).

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Financial Statements

Consolidated Statement of Comprehensive Income

For the year ended October 31 ($ millions)	2024[1]	2023[1]
Net income	**$ 7,892**	$ 7,450
Other comprehensive income (loss)		
Items that will be reclassified subsequently to net income		
Net change in unrealized foreign currency translation gains (losses):		
Net unrealized foreign currency translation gains (losses)	**(2,511)**	1,345
Net gains (losses) on hedges of net investments in foreign operations	**886**	(577)
Income tax expense (benefit):		
Net unrealized foreign currency translation gains (losses)	**2**	2
Net gains (losses) on hedges of net investments in foreign operations	**238**	(176)
	(1,865)	942
Net change in fair value due to change in debt instruments measured at fair value through other comprehensive income:		
Net gains (losses) in fair value	**2,977**	176
Reclassification of net (gains) losses to net income	**(2,126)**	327
Income tax expense (benefit):		
Net gains (losses) in fair value	**806**	19
Reclassification of net (gains) losses to net income	**(567)**	106
	612	378
Net change in gains (losses) on derivative instruments designated as cash flow hedges:		
Net gains (losses) on derivative instruments designated as cash flow hedges	**5,195**	3,763
Reclassification of net (gains) losses to net income	**(2,000)**	(3,455)
Income tax expense (benefit):		
Net gains (losses) on derivative instruments designated as cash flow hedges	**1,363**	1,034
Reclassification of net (gains) losses to net income	**(511)**	(971)
	2,343	245
Net changes in finance income/(expense) from insurance contracts:		
Net finance income/(expense) from insurance contracts	**2**	(19)
Income tax expense (benefit)	**1**	(2)
	1	(17)
Other comprehensive income (loss) from investments in associates	**(1)**	(16)
Items that will not be reclassified subsequently to net income		
Net change in remeasurement of employee benefit plan asset and liability:		
Actuarial gains (losses) on employee benefit plans	**(195)**	108
Income tax expense (benefit)	**(59)**	(6)
	(136)	114
Net change in fair value due to change in equity instruments designated at fair value through other comprehensive income:		
Net gains (losses) in fair value	**444**	(253)
Income tax expense (benefit)	**106**	(73)
	338	(180)
Net change in fair value due to change in own credit risk on financial liabilities designated under the fair value option:		
Change in fair value due to change in own credit risk on financial liabilities designated under the fair value option	**(804)**	(1,338)
Income tax expense (benefit)	**(223)**	(353)
	(581)	(985)
Other comprehensive income (loss) from investments in associates	**1**	2
Other comprehensive income (loss)	**712**	483
Comprehensive income	**$ 8,604**	$ 7,933
Comprehensive income (loss) attributable to non-controlling interests	**62**	317
Comprehensive income attributable to equity holders of the Bank	**$ 8,542**	$ 7,616
Preferred shareholders and other equity instrument holders	**472**	419
Common shareholders	**$ 8,070**	$ 7,197

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Financial Statements

Consolidated Statement of Changes in Equity

($ millions)	Common shares (Note 25)	Retained earnings[1]	Accumulated other comprehensive income (loss): Foreign currency translation	Debt instruments FVOCI	Equity instruments FVOCI	Cash flow hedges	Other[2]	Other reserves	Total common equity	Preferred shares and other equity instruments (Note 25)	Total attributable to equity holders	Non-controlling interests in subsidiaries (Note 32(b))	Total
Balance as at October 31, 2023[3]	**$ 20,109**	**$ 55,673**	**$ (1,755)**	**$ (1,104)**	**$ 14**	**$ (4,545)**	**$ 459**	**$ (84)**	**$ 68,767**	**$ 8,075**	**$ 76,842**	**$ 1,729**	**$ 78,571**
Net income	**–**	**7,286**	**–**	**–**	**–**	**–**	**–**	**–**	**7,286**	**472**	**7,758**	**134**	**7,892**
Other comprehensive income (loss)	**–**	**–**	**(1,804)**	**613**	**325**	**2,348**	**(698)**	**–**	**784**	**–**	**784**	**(72)**	**712**
Total comprehensive income	**$ –**	**$ 7,286**	**$ (1,804)**	**$ 613**	**$ 325**	**$ 2,348**	**$ (698)**	**$ –**	**$ 8,070**	**$ 472**	**$ 8,542**	**$ 62**	**$ 8,604**
Shares/instruments issued	**1,945**	**–**	**–**	**–**	**–**	**–**	**–**	**(4)**	**1,941**	**1,004**	**2,945**	**–**	**2,945**
Shares repurchased/redeemed	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(300)**	**(300)**	**–**	**(300)**
Dividends and distributions paid to equity holders	**–**	**(5,198)**	**–**	**–**	**–**	**–**	**–**	**–**	**(5,198)**	**(472)**	**(5,670)**	**(88)**	**(5,758)**
Share-based payments[4]	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**13**	**13**	**–**	**13**	**–**	**13**
Other	**–**	**(10)**	**–**	**–**	**–**	**–**	**–**	**7**	**(3)**	**–**	**(3)**	**4**	**1**
Balance as at October 31, 2024	**$ 22,054**	**$ 57,751**	**$ (3,559)**	**$ (491)**	**$ 339**	**$ (2,197)**	**$ (239)**	**$ (68)**	**$ 73,590**	**$ 8,779**	**$ 82,369**	**$ 1,707**	**$ 84,076**
Balance as at October 31, 2022	$ 18,707	$ 53,761	$ (2,478)	$ (1,482)	$ 216	$ (4,786)	$ 1,364	$ (152)	$ 65,150	$ 8,075	$ 73,225	$ 1,524	$ 74,749
Cumulative impact of adopting IFRS 17, net of tax	–	(1)	–	–	–	–	–	–	(1)	–	(1)	–	(1)
Restated Balance as at November 1, 2022	$ 18,707	$ 53,760	$ (2,478)	$ (1,482)	$ 216	$ (4,786)	$ 1,364	$ (152)	$ 65,149	$ 8,075	$ 73,224	$ 1,524	$ 74,748
Net income	–	6,919	–	–	–	–	–	–	6,919	419	7,338	112	7,450
Other comprehensive income (loss)	–	–	766	378	(201)	240	(905)	–	278	–	278	205	483
Total comprehensive income	$ –	$ 6,919	$ 766	$ 378	$ (201)	$ 240	$ (905)	$ –	$ 7,197	$ 419	$ 7,616	$ 317	$ 7,933
Shares/instruments issued	1,402	–	–	–	–	–	–	(3)	1,399	–	1,399	–	1,399
Shares repurchased/redeemed	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends and distributions paid to equity holders	–	(5,003)	–	–	–	–	–	–	(5,003)	(419)	(5,422)	(101)	(5,523)
Share-based payments[4]	–	–	–	–	–	–	–	14	14	–	14	–	14
Other	–	(3)	(43)	–	(1)	1	–	57	11	–	11	(11)	–
Balance as at October 31, 2023[3]	$ 20,109	$ 55,673	$ (1,755)	$ (1,104)	$ 14	$ (4,545)	$ 459	$ (84)	$ 68,767	$ 8,075	$ 76,842	$ 1,729	$ 78,571

(1) Includes undistributed retained earnings of $74 (2023 – $71) related to a foreign associated corporation, which is subject to local regulatory restriction.
(2) Includes Share from associates, Employee benefits, Own credit risk, and Insurance contracts.
(3) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4.
(4) Represents amounts on account of share-based payments (refer to Note 27).

The accompanying notes are an integral part of these consolidated financial statements

Consolidated Financial Statements

Consolidated Statement of Cash Flows

Sources (uses) of cash flows for the year ended October 31 ($ millions)	2024[1]	2023[1]
Cash flows from operating activities		
Net income	**$ 7,892**	$ 7,450
Adjustment for:		
Net interest income	**(19,252)**	(18,262)
Depreciation and amortization	**1,760**	1,820
Provision for credit losses	**4,051**	3,422
Impairment on investments in associates	**343**	185
Equity-settled share-based payment expense	**13**	14
Net gain on sale of investment securities	**(48)**	(129)
Net (gain)/loss on divestitures	**136**	(367)
Net income from investments in associated corporations	**(198)**	(153)
Income tax expense	**2,032**	2,221
Changes in operating assets and liabilities:		
Trading assets	**(11,370)**	(2,689)
Securities purchased under resale agreements and securities borrowed	**108**	(18,966)
Loans	**(17,712)**	4,414
Deposits	**(816)**	19,478
Obligations related to securities sold short	**(1,690)**	(4,616)
Obligations related to securities sold under repurchase agreements and securities lent	**28,753**	15,937
Net derivative financial instruments	**4,159**	2,080
Other, net	**457**	(161)
Interest and dividends received	**61,292**	56,916
Interest paid	**(42,273)**	(34,731)
Income tax paid	**(1,985)**	(2,139)
Net cash from/(used in) operating activities	**15,652**	31,724
Cash flows from investing activities		
Interest-bearing deposits with financial institutions	**25,557**	(23,538)
Purchase of investment securities	**(108,281)**	(100,919)
Proceeds from sale and maturity of investment securities	**76,794**	94,875
Acquisition/divestiture of subsidiaries, associated corporations or business units, net of cash acquired	**–**	895
Property and equipment, net of disposals	**(489)**	(442)
Other, net	**(1,031)**	(911)
Net cash from/(used in) investing activities	**(7,450)**	(30,040)
Cash flows from financing activities		
Proceeds from issue of subordinated debentures	**1,000**	1,447
Redemption of subordinated debentures	**(3,250)**	(78)
Proceeds from preferred shares and other equity instruments issued	**1,004**	–
Redemption of preferred shares	**(300)**	–
Proceeds from common shares issued	**1,945**	1,402
Cash dividends and distributions paid	**(5,670)**	(5,422)
Distributions to non-controlling interests	**(88)**	(101)
Payment of lease liabilities	**(303)**	(325)
Other, net	**(3,176)**	311
Net cash from/(used in) financing activities	**(8,838)**	(2,766)
Effect of exchange rate changes on cash and cash equivalents	**(131)**	190
Net change in cash and cash equivalents	**(767)**	(892)
Cash and cash equivalents at beginning of year[2]	**10,173**	11,065
Cash and cash equivalents at end of year[2]	**$ 9,406**	$ 10,173

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4.
(2) Represents cash and non-interest-bearing deposits with financial institutions (refer to Note 7).

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the 2024 Consolidated Financial Statements

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Consolidated Financial Statements

1 Reporting Entity

The Bank of Nova Scotia (the Bank) is a chartered Schedule I bank under the Bank Act (Canada) (the Bank Act) and is regulated by the Office of the Superintendent of Financial Institutions (OSFI). The Bank is a global financial services provider offering a diverse range of products and services, including personal, commercial, corporate and investment banking. The head office of the Bank is located at 1709 Hollis Street, Halifax, Nova Scotia, Canada and its executive offices are at 40 Temperance Street, Toronto, Canada. The common shares of the Bank are listed on the Toronto Stock Exchange (TSX) and the New York Stock Exchange.

2 Basis of Preparation

Statement of compliance

These consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and accounting requirements of OSFI in accordance with Section 308 of the Bank Act. Section 308 states that, except as otherwise specified by OSFI, the financial statements are to be prepared in accordance with IFRS.

The consolidated financial statements for the year ended October 31, 2024 have been approved by the Board of Directors for issue on December 3, 2024.

Certain comparative amounts have been restated to conform with the basis of presentation in the current year.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items that are measured at fair value in the Consolidated Statement of Financial Position:

- Financial assets and liabilities measured at fair value through profit or loss
- Financial assets and liabilities designated at fair value through profit or loss
- Derivative financial instruments
- Equity instruments designated at fair value through other comprehensive income
- Debt instruments measured at fair value through other comprehensive income

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Bank's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest million unless otherwise stated.

Management's use of estimates, assumptions and judgments

The Bank's accounting policies require estimates, assumptions and judgments that relate to matters that are inherently uncertain. The Bank has established procedures to ensure that accounting policies are applied consistently. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised.

Use of estimates and assumptions

The preparation of these consolidated financial statements, in conformity with IFRS, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the consolidated financial statements, and other comprehensive income and income and expenses during the reporting period. Estimates made by management are based on historical experience and other factors and assumptions that are believed to be reasonable. Key areas of estimation uncertainty include those relating to the allowance for credit losses, the fair value of financial instruments (including derivatives), corporate income taxes, employee benefits, goodwill and intangible assets, the fair value of all identifiable assets and liabilities as a result of business combinations, impairment of non-financial assets and provisions. The Bank has utilized estimates, assumptions and judgments that reflect this uncertainty. While management makes its best estimates and assumptions, actual results could differ from these and other estimates.

Significant judgments

In the preparation of these consolidated financial statements, management is required to make significant judgments in the classification and presentation of transactions and instruments and accounting for the Bank's involvement with other entities.

Consolidated Financial Statements

Significant estimates, assumptions and judgments have been made in the following areas and are discussed as noted in the consolidated financial statements:

Allowance for credit losses	Note 3 Note 14(e)
Fair value of financial instruments	Note 3 Note 8
Corporate income taxes	Note 3 Note 28
Employee benefits	Note 3 Note 29
Goodwill and intangible assets	Note 3 Note 19
Fair value of all identifiable assets and liabilities as a result of business combinations	Note 3 Note 37
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Impairment of non-financial assets	Note 3 Note 17 Note 18 Note 19
Structured entities	Note 3 Note 16
De facto control of other entities	Note 3 Note 32
Derecognition of financial assets and liabilities	Note 3 Note 15
Provisions	Note 3 Note 24

3 Material Accounting Policies

The material accounting policies used in the preparation of these consolidated financial statements, including any additional accounting requirements of OSFI, as set out below, have been applied consistently to all periods presented in these consolidated financial statements.

Basis of consolidation

The consolidated financial statements include the assets, liabilities, financial performance and cash flows of the Bank and all of its subsidiaries, after elimination of intercompany transactions and balances. Subsidiaries are defined as entities controlled by the Bank. The Bank's subsidiaries can be classified as entities controlled through voting interests or structured entities. The Bank consolidates a subsidiary from the date it obtains control. For the Bank to control an entity, all three elements of control should be in existence:

- power over the investee;
- exposure, or rights, to variable returns from involvement with the investee; and
- the ability to use power over the investee to affect the amount of the Bank's returns.

The Bank does not control an investee when it is acting as an agent. The Bank assesses whether it is an agent by determining whether it is primarily engaged to act on behalf of and for the benefit of another party or parties. The Bank reassesses whether it controls an investee if facts and circumstances indicate that one or more of the elements of control has changed.

Voting-interest subsidiaries

Control is presumed with an ownership interest of more than 50% of the voting rights in an entity unless there are other factors that indicate that the Bank does not control the entity despite having more than 50% of voting rights.

The Bank may consolidate an entity when it owns less than 50% of the voting rights when it has one or more other attributes of power:

- by virtue of an agreement, over more than half of the voting rights;
- to govern the financial and operating policies of the entity under a statute or an agreement;
- to appoint or remove the majority of the members of the board of directors or equivalent governing body and control of the entity is by that board or body; or
- to govern the financial and operating policies of the entity through the size of its holding of voting rights relative to the size and dispersion of holding of the other vote holders and voting patterns at shareholder meetings (i.e., de facto control).

Non-controlling interests are presented within equity in the Consolidated Statement of Financial Position separate from equity attributable to equity holders of the Bank. The net income attributable to non-controlling interests is presented separately in the Consolidated Statement of Income. Partial sales and incremental purchases of interests in subsidiaries that do not result in a change of control are accounted for as equity transactions with non-controlling interest holders. Any difference between the carrying amount of the interest and the transaction amount is recorded as an adjustment to retained earnings.

Structured entities

Structured entities are designed to accomplish certain well-defined objectives and for which voting or similar rights are not the dominant factor in deciding who controls the entity. The Bank controls an entity when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Bank consolidates all structured entities that it controls.

Consolidated Financial Statements

Investments in associates
An associate is an entity in which the Bank has significant influence, but not control, over the operating and financial policies of the entity.

Investments in associates are recognized initially at cost, which includes the purchase price and other costs directly attributable to the purchase. Associates are accounted for using the equity method which reflects the Bank's share of the increase or decrease of the post-acquisition earnings and other movements in the associate's equity.

Investments in associates are evaluated for impairment at the end of each financial reporting period, or more frequently if events or changes in circumstances indicate the existence of objective evidence of impairment.

For purposes of applying the equity method for an investment that has a different reporting period from the Bank, adjustments are made for the effects of any significant events or transactions that occur between the reporting date of the investment and the reporting date of the Bank.

Joint arrangements
The Bank's investments in joint arrangements over which the Bank has joint control are classified as either joint operations or joint ventures, depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Similar to accounting for investments in associates, for joint ventures, investments are recognized initially at cost and accounted for using the equity method, which reflects the Bank's share of the increase or decrease of the post-acquisition earnings and other movements in the joint venture's equity. Investments in joint ventures are evaluated for impairment at the end of each financial reporting period, or more frequently if events or changes in circumstances indicate the existence of objective evidence of impairment.

For joint operations, the Bank recognizes its direct rights to, and its share of jointly held assets, liabilities, revenues and expenses. These have been incorporated in the consolidated financial statements under the appropriate headings.

Translation of foreign currencies
The financial statements of each of the Bank's foreign operations are measured using its functional currency, being the currency of the primary economic environment of the foreign operation.

Translation gains and losses related to the Bank's monetary items are recognized in non-interest income in the Consolidated Statement of Income. Revenues and expenses denominated in foreign currencies are translated using average exchange rates. Foreign currency non-monetary items that are measured at historical cost are translated into the functional currency at historical rates. Foreign currency non-monetary items measured at fair value are translated into functional currency using the rate of exchange at the date the fair value was determined. Foreign currency gains and losses on non-monetary items are recognized in the Consolidated Statement of Income or Consolidated Statement of Comprehensive Income consistent with the gain or loss on the non-monetary item.

Unrealized gains and losses arising upon translation of foreign operations, together with any gains or losses arising from hedges of those net investment positions to the extent effective, are credited or charged to net change in unrealized foreign currency translation gains/losses in other comprehensive income in the Consolidated Statement of Comprehensive Income. On disposal or meeting the definition of partial disposal of a foreign operation, an appropriate portion of the translation differences previously recognized in other comprehensive income are recognized in the Consolidated Statement of Income.

Financial assets and liabilities

Recognition and initial measurement
The Bank, on the date of origination or purchase, recognizes loans, debt and equity securities, deposits and subordinated debentures at the fair value of the consideration paid or received. Regular-way purchases and sales of financial assets are recognized on the settlement date. All other financial assets and liabilities, including derivatives, are initially recognized on the trade date at which the Bank becomes a party to the contractual provisions of the instrument.

The initial measurement of a financial asset or liability is at fair value plus transaction costs that are directly attributable to its purchase or issuance. For instruments measured at fair value through profit or loss, transaction costs are recognized immediately in profit or loss.

Classification and measurement, derecognition, and impairment of financial instruments

Classification and measurement

Classification and measurement of financial assets
Financial assets include both debt and equity instruments, are classified into one of the following measurement categories:

- Amortized cost;
- Fair value through other comprehensive income (FVOCI);
- Fair value through profit or loss (FVTPL);
- Elected at fair value through other comprehensive income (Equities only); or
- Designated at FVTPL

Debt instruments
Debt instruments, including loans and debt securities, are classified into one of the following measurement categories:

- Amortized cost;
- Fair value through other comprehensive income (FVOCI);
- Fair value through profit or loss (FVTPL); or
- Designated at FVTPL

Classification of debt instruments is determined based on:

(i) The business model under which the asset is held; and
(ii) The contractual cash flow characteristics of the instrument.

Business model assessment
A business model assessment involves determining how financial assets are managed to generate cash flows. The Bank's business model assessment is based on the following categories:

- Held to collect: The objective of this business model is to hold assets and collect contractual cash flows. Any sales of the asset are incidental to the objective of the model.
- Held to collect and for sale: Both collecting contractual cash flows and sales are integral to achieving the objectives of the business model.
- Other business model: The business model is neither held-to-collect nor held-to-collect and for sale.

The Bank assesses the business model at a portfolio level reflective of how groups of assets are managed together to achieve a particular business objective. For the assessment of a business model, the Bank takes into consideration the following factors:

- How the performance of assets in a portfolio is evaluated and reported to group heads and other key decision makers within the Bank's business lines;
- How compensation is determined for the Bank's business lines' management that manages the assets;
- How the business lines' management is compensated for managing the Bank's assets based on the fair value or the contractual cash flows collected;
- Whether the assets are held for trading purposes;
- The risks that affect the performance of assets held within a business model and how those risks are managed; and
- The frequency and volume of sales in prior periods and expectations about future sales activity.

Contractual cash flow characteristics assessment
The contractual cash flow characteristics assessment involves assessing the contractual features of an instrument to determine if they give rise to cash flows that are consistent with a basic lending arrangement. Contractual cash flows are consistent with a basic lending arrangement if they represent cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Principal is defined as the fair value of the instrument at initial recognition. Principal may change over the life of the instrument due to repayments or amortization of premium/discount.

Interest is defined as the consideration for the time value of money and the credit risk associated with the principal amount outstanding and for other basic lending risks and costs (liquidity risk and administrative costs), and a profit margin.

If the Bank identifies any contractual features that could significantly modify the cash flows of the instrument such that they are no longer consistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

Debt instruments measured at amortized cost
Debt instruments are measured at amortized cost if they are held within a business model whose objective is to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are carried at amortized cost. Interest income on these instruments is recognized in interest income using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. Amortized cost is calculated by taking into account any discount or premium on the acquisition, transaction costs and fees that are an integral part of the effective interest rate.

Impairment on debt instruments measured at amortized cost is calculated using the expected credit loss approach. Loans and debt securities measured at amortized cost are presented net of the allowance for credit losses (ACL) in the Statement of Financial Position.

Debt instruments measured at FVOCI
Debt instruments are measured at FVOCI if they are held within a business model whose objective is to hold for collection of contractual cash flows and for selling financial assets, where the assets' cash flows represent payments that are solely payments of principal and interest. Subsequent to initial recognition, unrealized gains and losses on debt instruments measured at FVOCI are recorded in other comprehensive income (OCI), unless the instrument is designated in a fair value hedge relationship. When designated in a fair value hedge relationship, any changes in fair value due to changes in the hedged risk are recognized in Non-interest income in the Consolidated Statement of Income, along with changes in fair value of the hedging instrument. Upon derecognition, realized gains and losses are reclassified from OCI and recorded in Non-interest income in the Consolidated Statement of Income. Foreign exchange gains and losses that relate to the amortized cost of the debt instrument are recognized in the Consolidated Statement of Income. Premiums, discounts and related transaction costs are amortized over the expected life of the instrument to Interest income in the Consolidated Statement of Income using the effective interest rate method.

Impairment on debt instruments measured at FVOCI is determined using the expected credit loss approach. The ACL on debt instruments measured at FVOCI does not reduce the carrying amount of the asset in the Consolidated Statement of Financial Position, which remains at its fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortized cost is recognized in OCI with a corresponding charge to provision for credit losses in the Consolidated Statement of Income. The accumulated allowance recognized in OCI is recycled to the Consolidated Statement of Income upon derecognition of the debt instrument.

Debt instruments measured at FVTPL
Debt instruments are measured at FVTPL if assets:

(i) are held for trading purposes;
(ii) are held as part of a portfolio managed on a fair value basis; or
(iii) whose cash flows do not represent payments that are solely payments of principal and interest.

These instruments are measured at fair value in the Consolidated Statement of Financial Position, with transaction costs recognized immediately in the Consolidated Statement of Income as part of Non-interest income. Realized and unrealized gains and losses are recognized as part of Non-interest income in the Consolidated Statement of Income.

Debt instruments designated at FVTPL
The Bank designates certain debt instruments at FVTPL upon initial recognition, and the designation is irrevocable. The FVTPL designation is available when a fair value is reliably estimated, and doing so eliminates or significantly reduces an accounting mismatch which would otherwise arise.

Consolidated Financial Statements

Debt instruments designated at FVTPL are recorded in the Consolidated Statement of Financial Position at fair value. Changes in fair value are recognized in Non-interest income in the Consolidated Statement of Income.

Equity instruments
Equity instruments are classified into one of the following measurement categories:

- Fair value through profit or loss (FVTPL); or
- Elected at fair value through other comprehensive income (FVOCI).

Equity instruments measured at FVTPL
Equity instruments are measured at FVTPL, unless an election is made to designate them at FVOCI upon purchase, with transaction costs recognized immediately in the Consolidated Statement of Income as part of Non-interest income. Subsequent to initial recognition, the changes in fair value and dividends received are recognized in the Consolidated Statement of Income.

Equity instruments measured at FVOCI
At initial recognition, the Bank has an option to classify non-trading equity instruments at FVOCI. This election is irrevocable and is made on an instrument-by-instrument basis.

Gains and losses on these instruments, including when derecognized/sold, are recorded in OCI and are not subsequently reclassified to the Consolidated Statement of Income. As such, there is no specific impairment requirement. Dividends received are recorded in Interest income in the Consolidated Statement of Income. Any transaction costs incurred upon purchase of the security are added to the cost basis of the security and are not reclassified to the Consolidated Statement of Income on sale of the security.

Classification and measurement of financial liabilities
Financial liabilities are classified into one of the following measurement categories:

- Fair value through profit or loss (FVTPL);
- Amortized cost; or
- Designated at FVTPL.

Financial liabilities measured at FVTPL
Financial liabilities measured at FVTPL are held principally for the purpose of repurchasing in the near term, or form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking. Financial liabilities are recognized on a trade date basis and accounted for at fair value, with changes in fair value and any gains or losses recognized in the Consolidated Statement of Income as part of the non-interest income. Transaction costs are expensed as incurred.

Financial liabilities measured at amortized cost
Deposits, subordinated notes and debentures are accounted for at amortized cost. Interest on deposits, calculated using the effective interest rate method, is recognized as interest expense. Interest on subordinated notes and debentures, including capitalized transaction costs, is recognized using the effective interest rate method as interest expense.

Financial liabilities designated at FVTPL
The Bank designates certain financial liabilities at FVTPL upon initial recognition, and the designation is irrevocable. The FVTPL designation is available when a fair value is reliably estimated.

Financial liabilities are designated at FVTPL when it meets one of the following criteria:

- The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise; or
- A group of financial liabilities are managed and their performance is evaluated on a fair value basis, in line with a documented risk management strategy; or
- The financial liability contains one or more embedded derivatives which significantly modify the cash flows otherwise required.

Financial liabilities designated at FVTPL are recorded in the Consolidated Statement of Financial Position at fair value. Any changes in fair value are recognized in Non-interest income in the Consolidated Statement of Income, except for changes in fair value arising from changes in the Bank's own credit risk which are recognized in OCI. Changes in fair value due to changes in the Bank's own credit risk are not subsequently reclassified to the Consolidated Statement of Income upon derecognition/extinguishment of the liabilities.

Determination of fair value
The fair value of a financial asset or liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal, or in its absence, the most advantageous market to which the Bank has access at the measurement date.

The Bank values instruments carried at fair value using quoted market prices, where available. Fair value based on unadjusted quoted market prices for identical instruments in active markets represents a Level 1 valuation. When quoted market prices are not available, the Bank maximizes the use of observable inputs within valuation models. When a fair value is based on all significant market observable inputs, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3.

Inception gains and losses are only recognized where the valuation is dependent on observable market data; otherwise, they are deferred and amortized over the life of the related contract or until the valuation inputs become observable.

IFRS 13, *Fair Value Measurement* permits a measurement exception that allows an entity to determine the fair value of a group of financial assets and liabilities with offsetting risks based on the sale or transfer of its net exposure to a particular risk (or risks). The Bank has adopted this exception through an accounting policy choice. Consequently, the fair values of certain portfolios of financial instruments are determined based on the net exposure of those instruments to market, credit or funding risk.

In determining fair value for certain instruments or portfolios of instruments, valuation adjustments or reserves may be required to arrive at a more accurate representation of fair value. These adjustments include those made for credit risk, bid-offer spreads, unobservable parameters, funding costs and constraints on prices in inactive or illiquid markets.

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Derecognition of financial assets and liabilities

Derecognition of financial assets
A financial asset is derecognized when the contractual rights to the cash flows from the asset has expired; or the Bank transfers the contractual rights to receive the cash flows from the financial asset; or has assumed an obligation to pay those cash flows to an independent third-party; or the Bank has transferred substantially all the risks and rewards of ownership of that asset to an independent third-party. Management determines whether substantially all the risk and rewards of ownership have been transferred by quantitatively comparing the variability in cash flows before and after the transfer. If the variability in cash flows remains significantly similar subsequent to the transfer, the Bank has retained substantially all of the risks and rewards of ownership.

Where substantially all the risks and rewards of ownership of the financial asset are neither retained nor transferred, the Bank derecognizes the transferred asset only if it has lost control over that asset. Control over the asset is represented by the practical ability to sell the transferred asset. If the Bank retains control over the asset, it will continue to recognize the asset to the extent of its continuing involvement. At times such continuing involvement may be in the form of investment in senior or subordinated tranches of notes issued by non-consolidated structured entities.

On derecognition of a financial asset, the difference between the carrying amount and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in other comprehensive income is recognized in the Consolidated Statement of Income.

Transfers of financial assets that do not qualify for derecognition are reported as secured financings in the Consolidated Statement of Financial Position.

The derecognition criteria are applied to the transfer of part of an asset, rather than the asset as a whole, only if such part comprises specifically identified cash flows from the asset, a fully proportionate share of the cash flows from the asset, or a fully proportionate share of specifically identified cash flows from the asset.

Derecognition of financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged, canceled or expires. If an existing financial liability is replaced by another from the same counterparty on substantially different terms, or the terms of the existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability at fair value. The difference in the respective carrying amount of the existing liability and the new liability is recognized as a gain/loss in the Consolidated Statement of Income.

Impairment

Scope
The Bank applies a three-stage approach to measure allowance for credit losses, using an expected credit loss approach as required under IFRS 9, for the following categories of financial instruments that are not measured at fair value through profit or loss:

- Amortized cost financial assets;
- Debt securities classified as at FVOCI;
- Off-balance sheet loan commitments; and
- Financial guarantee contracts.

Expected credit loss impairment model
The Bank's allowance for credit losses calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either (i) over the following twelve months or (ii) over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

This impairment model measures credit loss allowances using a three-stage approach based on the extent of credit deterioration since origination:

- Stage 1 – Where there has not been a significant increase in credit risk (SIR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.
- Stage 2 – When a financial instrument experiences a SIR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.
- Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

Measurement of expected credit loss
The probability of default (PD), exposure at default (EAD), and loss given default (LGD) inputs used to estimate expected credit losses are modelled based on macroeconomic variables that are closely related with credit losses in the relevant portfolio.

Details of these statistical parameters/inputs are as follows:

- PD – The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life if the facility has not been previously derecognized and is still in the portfolio.
- EAD – The exposure at default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD – The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

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Forward-looking information
The estimation of expected credit losses for each stage and the assessment of significant increases in credit risk consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information may require significant judgment.

Macroeconomic factors
In its models, the Bank relies on a broad range of forward-looking economic information as inputs, such as: GDP growth, unemployment rates, central bank interest rates, and house-price indices. The inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the financial statements. Qualitative adjustments or overlays may be made as temporary adjustments using expert credit judgment.

Multiple forward-looking scenarios
The Bank determines its allowance for credit losses using four probability-weighted forward-looking scenarios. The Bank considers both internal and external sources of information and data in order to achieve unbiased projections and forecasts. The Bank prepares the scenarios using forecasts generated by Scotiabank Economics (SE). The forecasts are created using internal and external models which are modified by SE as necessary to formulate a 'base case' view of the most probable future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. The process involves the development of three additional economic scenarios and consideration of the relative probabilities of each outcome.

The 'base case' represents the most likely outcome and is aligned with information used by the Bank for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macroeconomic variables, credit risk, and credit losses.

Assessment of significant increase in credit risk (SIR)
At each reporting date, the Bank assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers borrower-specific quantitative and qualitative information without consideration of collateral, and the impact of forward-looking macroeconomic factors.

The common assessments for SIR on retail and non-retail portfolios include macroeconomic outlook, management judgement, and delinquency and monitoring. Forward-looking macroeconomic factors are a key component of the macroeconomic outlook. The importance and relevance of each specific macroeconomic factor depends on the type of product, characteristics of the financial instruments and the borrower and the geographical region. Quantitative models may not always be able to capture all reasonable and supportable information that may indicate a significant increase in credit risk. Qualitative factors may be assessed to supplement the gap. Examples of situations include changes in adjudication criteria for a particular group of borrowers; changes in portfolio composition; and natural disasters impacting certain portfolios. With regards to delinquency and monitoring, there is a rebuttable presumption that the credit risk of the financial instrument has increased since initial recognition when contractual payments are more than 30 days overdue.

Retail portfolio – For retail exposures, a significant increase in credit risk is assessed based on thresholds that exist by product which consider the change in PD. The thresholds used for PD migration are reviewed and assessed at least annually unless there is a significant change in credit risk management practices in which case the review is brought forward.

Non-retail portfolio – The Bank uses a risk rating scale (IG codes) for its non-retail exposures. All non-retail exposures have an IG code assigned that reflects the probability of default of the borrower. Both borrower specific and non-borrower specific (i.e. macroeconomic) forward looking information is considered and reflected in the IG rating. Significant increase in credit risk is evaluated based on the migration of the exposures among IG codes.

Expected life
When measuring expected credit loss, the Bank considers the maximum contractual period over which the Bank is exposed to credit risk. All contractual terms are considered when determining the expected life, including prepayment, and extension and rollover options. For certain revolving credit facilities, such as credit cards, the expected life is estimated based on the period over which the Bank is exposed to credit risk and how the credit losses are mitigated by management actions.

Presentation of allowance for credit losses in the Statement of Financial Position

- Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the financial assets;
- Debt instruments measured at fair value through other comprehensive income: no allowance is recognized in the Statement of Financial Position because the carrying value of these assets is their fair value. However, the allowance determined is presented in the accumulated other comprehensive income;
- Off-balance sheet credit risks include undrawn lending commitments, letters of credit and letters of guarantee: as a provision in other liabilities.

Modified financial assets
If the terms of a financial asset are modified or an existing financial asset is replaced with a new one, an assessment is made to determine if the existing financial asset should be derecognized. Where a modification does not result in derecognition, the date of origination continues to be used to determine SIR. Where a modification results in derecognition, the new financial asset is recognized at its fair value on the modification date. The modification date is also the date of origination for this new asset.

The Bank may modify the contractual terms of loans for either commercial or credit reasons. The terms of a loan in good standing may be modified for commercial reasons to provide competitive pricing to borrowers. Loans are also modified for credit reasons where the contractual terms are modified to grant a concession to a borrower that may be experiencing financial difficulty.

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For all financial assets modifications of the contractual terms may result in derecognition of the original asset when the changes to the terms of the loans are considered substantial. These terms include interest rate, authorized amount or term. The original loan is derecognized, and the new loan is recognized at its fair value. The difference between the carrying value of the derecognized asset and the fair value of the new asset is recognized in the Consolidated Statement of Income.

For all loans, performing and credit-impaired, where the modification of terms did not result in the derecognition of the loan, the gross carrying amount of the modified loan is recalculated based on the present value of the modified cash flows discounted at the original effective interest rate and any gain or loss from the modification is recorded in the provision for credit losses line in the Consolidated Statement of Income.

Definition of default
The Bank considers a financial instrument to be in default as a result of one or more loss events that occurred after the date of initial recognition of the instrument and the loss event has a negative impact on the estimated future cash flows of the instrument that can be reliably estimated. This includes events that indicate:

- significant financial difficulty of the borrower;
- default or delinquency in interest or principal payments;
- high probability of the borrower entering a phase of bankruptcy or a financial reorganization;
- measurable decrease in the estimated future cash flows from the loan or the underlying assets that back the loan.

The Bank considers that default has occurred and classifies the financial asset as impaired when it is more than 90 days past due, except for credit card receivables that are treated as defaulted when 180 days past due, unless reasonable and supportable information demonstrates that a more lagging default criterion is appropriate.

Write-off policy
The Bank writes off an impaired financial asset (and the related impairment allowance), either partially or in full, when there is no realistic prospect of recovery. Where financial assets are secured, write-off is generally after receipt of any proceeds from the realization of security. In circumstances where the net realizable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier. Credit card receivables 180 days past due are written-off. In subsequent periods, any recoveries of amounts previously written off are credited to the provision for credit losses in the Consolidated Statement of Income.

Purchased loans
All purchased loans are initially measured at fair value on the date of acquisition. As a result,no allowance for credit losses would be recorded in the Consolidated Statement of Financial Position on the date of acquisition. Purchased loans may fit into either of the two categories: Performing loans or Purchased Credit-Impaired (PCI) loans.

Purchased performing loans follow the same accounting as originated performing loans and are reflected in Stage 1 on the date of the acquisition. They will be subject to a 12-month allowance for credit losses which is recorded as a provision for credit losses in the Consolidated Statement of Income. The fair value adjustment set up for these loans on the date of acquisition is amortized into interest income over the life of these loans.

PCI loans are reflected in Stage 3 and are always subject to lifetime allowance for credit losses. Any changes in the expected cash flows since the date of acquisition are recorded as a charge/recovery in the provision for credit losses in the Consolidated Statement of Income at the end of all reporting periods subsequent to the date of acquisition.

Modification of financial instruments in the context of interest rate benchmark reform – Phase 2 amendments

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortized cost is changed as a result of interest rate benchmark reform (IBOR reform), the Bank updates the effective interest rate of the financial asset or financial liability similar to a floating rate financial instrument and does not derecognize or adjust the carrying amount (the practical expedient). The practical expedient is applied only when the modification is required as a direct consequence of IBOR reform, and the new basis for determining the contractual cash flows is economically equivalent to the previous basis. If changes are made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by the interest rate benchmark reform, then the Bank sequentially updates the effective interest first to reflect the change required by IBOR reform and then applies its policies on modification or derecognition of financial assets and financial liabilities.

Offsetting of financial instruments

Financial assets and financial liabilities with the same counterparty are offset, with the net amount reported in the Consolidated Statement of Financial Position, only if there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. When financial assets and financial liabilities are offset in the Consolidated Statement of Financial Position, the related income and expense items will also be offset in the Consolidated Statement of Income, unless specifically prohibited by an applicable accounting standard.

Cash and deposits with financial institutions

Cash and deposits with financial institutions comprise cash, cash equivalents, demand deposits with banks and other financial institutions, and highly liquid investments that are readily convertible to cash, subject to an insignificant risk of changes in value. These investments are those with less than three months maturity from the date of acquisition.

Precious metals

Precious metals are carried at fair value less costs to sell, and any changes in value are credited or charged to non-interest income – trading revenues in the Consolidated Statement of Income.

Securities purchased and sold under resale agreements

Securities purchased under resale agreements (reverse repurchase agreements) require the purchase of securities by the Bank from a counterparty with an agreement entered to resell the securities at a fixed price at a future date. Since the Bank is reselling the securities at a fixed price at a future date, the risks and rewards have not been transferred to the Bank. The Bank has the right to liquidate the securities purchased in the event of counterparty default.

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Whereas securities sold under agreements to repurchase (repurchase agreements) require the sale of securities by the Bank to a counterparty with an agreement entered simultaneously to purchase the securities back at a fixed price at a future date. Since the Bank is purchasing the securities back at a fixed price at a future date, the risks and rewards have not been transferred from the Bank. The counterparty has the right to use the collateral pledged by the Bank in the event of default.

These agreements are treated as collateralized financing arrangements and are initially recognized at amortized cost. The party disbursing the cash takes possession of the securities serving as collateral for the financing and having a market value equal to, or more than, the principal amount loaned. The securities received under reverse repurchase agreements and securities delivered under repurchase agreements are not recognized on, or derecognized from, the Consolidated Statement of Financial Position, unless the risks and rewards of ownership are obtained or relinquished. The related interest income and interest expense are recorded on an accrual basis using the effective interest rate in the Consolidated Statement of Income.

Obligations related to securities sold short

Obligations related to securities sold short arise in dealing and market-making activities where debt securities and equity shares are sold without possessing such securities.

Similarly, if securities purchased under an agreement to resell are subsequently sold to third parties, the obligation to return the securities is recorded as a short sale within obligations related to securities sold short in the Consolidated Statement of Financial Position. These trading liabilities are measured at fair value with any gains or losses included in non-interest income – trading revenues in the Consolidated Statement of Income. Interest expense accruing on debt securities sold short is recorded in the Consolidated Statement of Income.

Securities lending and borrowing

Securities lending and borrowing transactions are usually collateralized by securities or cash. The transfer of the securities to counterparties is only reflected on the Consolidated Statement of Financial Position if the risks and rewards of ownership are also transferred. For cash collateral advanced or received, the Bank presents these transactions as securities sold under a repurchase agreement or securities purchased under a reverse repurchase agreement, respectively. Interest income on cash collateral paid and interest expense on cash collateral received together with securities lending income and securities borrowing fee are reported in the Consolidated Statement of Income.

Securities borrowed are not recognized on the Consolidated Statement of Financial Position unless they are then sold to third parties, in which case the obligation to return the securities is recorded as a trading liability and measured at fair value with any gains or losses included in non-interest income – trading revenues, in the Consolidated Statement of Income.

Derivative instruments

Derivative instruments are contracts whose value is derived from interest rates, foreign exchange rates, commodity prices, equity prices or other financial variables. Most derivative instruments can be characterized as interest rate contracts, foreign exchange and gold contracts, commodity contracts, equity contracts or credit contracts. Derivative instruments are either exchange-traded contracts or negotiated over-the-counter contracts. Negotiated over-the-counter contracts include swaps, forwards and options.

The Bank enters into these derivative contracts for trading purposes, as well as to manage its risk exposures (i.e., to manage the Bank's non-trading interest rate, foreign currency and other risk exposures). Trading activities are undertaken to meet the needs of the Bank's customers, as well as for the Bank's own account.

Derivatives embedded in other financial liabilities or host contracts are treated as separate stand-alone derivatives when the following conditions are met:

- their economic characteristics and risks are not closely related to those of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- the combined contract is not held for trading or designated at fair value through profit or loss.

Where an embedded derivative is separable from the host contract but the fair value, as at the acquisition or reporting date, cannot be reliably measured separately, the entire combined contract is measured at fair value. All embedded derivatives are presented on the Consolidated Statement of Financial Position on a combined basis with the host contracts. Changes in fair value of embedded derivatives that are separated from the host contract are recognized in non-interest income in the Consolidated Statement of Income.

All derivatives, including embedded derivatives that must be separately accounted for, are recorded at fair value in the Consolidated Statement of Financial Position. The determination of the fair value of derivatives includes consideration of credit risk, estimated funding costs and ongoing direct costs over the life of the instruments. Inception gains or losses on derivatives are only recognized where the valuation is dependent on observable market data; otherwise, they are deferred and amortized over the life of the related contract, or until the valuation inputs become observable.

The gains and losses resulting from changes in fair values of trading derivatives are included in non-interest income – trading revenues in the Consolidated Statement of Income.

Changes in the fair value of derivatives that do not qualify for hedge accounting are recorded in the Consolidated Statement of Income in non-interest income – other. Where derivative instruments are used to manage the volatility of share-based payment expense, these derivatives are carried at fair value with changes in the fair value in relation to units hedged included in non-interest expenses – salaries and employee benefits in the Consolidated Statement of Income.

Changes in the fair value of derivatives that qualify for hedge accounting are recorded as non-interest income – other in the Consolidated Statement of Income for fair value hedges and other comprehensive income in the Consolidated Statement of Comprehensive Income for cash flow hedges and net investment hedges.

Hedge accounting

The Bank has elected to continue to apply the hedge accounting requirements of IAS 39. Also, the Bank has implemented the additional hedge accounting disclosures that are required by the IFRS 9 related amendments to IFRS 7 *Financial Instruments: Disclosures*.

The Bank formally documents all hedging relationships and its risk management objective and strategy for undertaking these hedge transactions at inception. The hedge documentation includes identification of the asset, liability, firm commitment or highly probable forecasted transaction being hedged, the nature of the risk being hedged, the hedging instrument used, and the method used to assess the effectiveness of the hedge.

The Bank also formally assesses, both at each hedge's inception and on an ongoing basis, whether the hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items within an 80-125% range. This assessment incorporates a comparison of critical terms of the hedged and hedging item, and regression analysis, in order to determine (i) whether the hedge relationship is expected to be highly effective going forward (i.e. prospective effectiveness assessment) and (ii) whether the hedge was actually highly effective for the designated period (i.e. retrospective effectiveness assessment). In assessing prospective hedge effectiveness for a hedge relationship directly impacted by the IBOR reform, the Bank will assume that the benchmark interest rate is not altered as a result of the IBOR reform. In instances of assessing retrospective hedge effectiveness where a hedge relationship directly impacted by the IBOR reform falls outside of the 80-125% range solely as a result of the IBOR reform, the Bank will continue hedge accounting as long as other hedge accounting requirements are met.

Hedge ineffectiveness is measured and recorded in non-interest income – other in the Consolidated Statement of Income. When the basis for determining the contractual cash flows of existing hedge relationships changes as a result of the IBOR reform, the Bank updates the hedge documentation without discontinuing the hedging relationship. For cash flow hedges where the interest benchmark changes as a result of the IBOR reform, the Bank deems that the corresponding hedge reserve in OCI is based on the alternative benchmark rate to determine whether the hedged future cash flows are expected to occur. For changes that are in addition to those required by the IBOR reform, the Bank first determines whether the additional changes result in discontinuation of hedge relationships before applying the relief. In addition, when determining the hedged risk, the Bank may designate an alternative benchmark rate risk component that is not currently separately identifiable, as the Bank reasonably expects that the alternative benchmark rate will become separately identifiable within a 24-month period from its first designation.

There are three types of hedges: (i) fair value hedges, (ii) cash flow hedges and (iii) net investment hedges.

Fair value hedges
For fair value hedges, the change in fair value of the hedging instrument is offset in the Consolidated Statement of Income by the change in fair value of the hedged item attributable to the hedged risk. For hedges that are discontinued, the hedged item is no longer adjusted for changes in fair value. The cumulative fair value adjustment of the hedged item is amortized to interest income over its remaining term to maturity or written off to non-interest income directly if the hedged item ceases to exist. The Bank uses fair value hedges primarily to convert fixed rate financial instruments to floating rate financial instruments. Hedged items include debt securities, loans, deposit liabilities and subordinated debentures. Hedging instruments include single-currency interest rate swaps and cross-currency interest rate swaps.

Cash flow hedges
For cash flow hedges, the change in fair value of the hedging instrument, to the extent effective, is recorded in other comprehensive income until the corresponding gains and losses on the hedged item are recognized in income. For hedges that are discontinued, the cumulative unrealized gain or loss recognized in other comprehensive income is reclassified to interest income and/or salaries and employee benefits as the variability in the cash flows of hedged item affects income. However, if the hedged item is derecognized or the forecasted transaction is no longer expected to occur, the unrealized gain or loss is reclassified immediately to non-interest income and/or salaries and employee benefits. The Bank uses cash flow hedges primarily to hedge the variability in cash flows relating to floating rate financial instruments and highly probable forecasted revenues and expenses. Hedged items include debt securities, loans, deposit liabilities, subordinated debentures and highly probable forecasted transactions. Hedging instruments include single-currency interest rate swaps, cross-currency interest rate swaps, total return swaps, foreign currency forwards and foreign currency assets or liabilities.

For the Bank's cash flow hedges of forecasted transactions that are directly affected by the IBOR Reform, it is assumed that the benchmark interest rate will not be altered as a result of the IBOR Reform for purposes of assessing whether the transactions are highly probable or whether the transactions are still expected to occur.

Net investment hedges
For net investment hedges, the change in fair value of the hedging instrument, to the extent effective, is recorded in other comprehensive income until the corresponding cumulative translation adjustments on the hedged net investment are recognized in income. The Bank designates foreign currency liabilities and foreign currency forwards as hedging instruments to manage the foreign currency exposure and impact on capital ratios arising from foreign operations.

Property and equipment
Land is carried at cost. Buildings (including building fittings), equipment, and leasehold improvements are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. Depreciation is calculated using the straight-line method over the estimated useful life of the related asset less any residual value as follows: buildings – up to 40 years, building fittings – up to 15 years, equipment 3 to 10 years, and leasehold improvements – lease term determined by the Bank. Depreciation expense is included in the Consolidated Statement of Income under non-interest expenses – depreciation and amortization. Depreciation methods, useful lives and residual values are reassessed at each financial year-end and adjusted as appropriate.

When major components of building and equipment have different useful lives, they are accounted for separately and depreciated over each component's estimated useful life.

Net gains and losses on disposal are included in non-interest income – other in the Consolidated Statement of Income in the year of disposal.

Assets held-for-sale
Non-current non-financial assets (and disposal groups) are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. These assets meet the criteria for classification as held-for-sale if they are available for immediate sale in their present condition and their sale is considered highly probable to occur within one year.

Non-current non-financial assets classified as held-for-sale are measured at the lower of their carrying amount and fair value less costs to sell and are presented within other assets in the Consolidated Statement of Financial Position. Any subsequent write-down to fair value less costs to sell is recognized in the Consolidated Statement of Income, in non-interest income. Any subsequent increase in the fair value less costs to sell, to the extent this does not exceed the cumulative write-down, is also recognized in non-interest income, together with any realized gains or losses on disposal.

Non-financial assets acquired in exchange for loans as part of an orderly realization are recorded as assets held-for-sale or assets held-for-use. If the acquired asset does not meet the requirement to be considered held-for-sale, the asset is considered held-for-use, measured initially at cost which equals the carrying value of the loan and accounted for in the same manner as a similar asset acquired in the normal course of business.

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Business combinations and goodwill

The Bank follows the acquisition method of accounting for the acquisition of a business. The Bank considers the date on which control is obtained and it legally transfers the consideration for the acquired assets and assumed liabilities of the subsidiary to be the date of acquisition. The cost of an acquisition is measured at the fair value of the consideration paid. The fair value of the consideration transferred by the Bank in a business combination is calculated as the sum of the acquisition date fair value of the assets transferred by the Bank, the liabilities incurred by the Bank to former owners of the acquiree, and the equity interests, including any options, issued by the Bank. The Bank recognizes the acquisition date fair values of any previously held investment in the subsidiary and contingent consideration as part of the consideration transferred in exchange for the acquisition. A gain or loss on any previously held investments of an acquiree is recognized in non-interest income – other in the Consolidated Statement of Income.

In general, all identifiable assets acquired (including intangible assets) and liabilities assumed (including any contingent liabilities) are measured at the acquisition date fair value. The Bank records identifiable intangible assets irrespective of whether the assets have been recognized by the acquiree before the business combination. Non-controlling interests, if any, are recognized at their proportionate share of the fair value of identifiable assets and liabilities, unless otherwise indicated. Where the Bank has an obligation to purchase a non-controlling interest for cash or another financial asset, a financial liability is recognized based on management's best estimate of the present value of the redemption amount. Where the Bank has a corresponding option to settle the purchase of a non-controlling interest by issuing its own common shares, no financial liability is recorded.

Any excess of the cost of acquisition over the Bank's share of the net fair value of the identifiable assets acquired and liabilities assumed is recorded as goodwill. If the cost of acquisition is less than the fair value of the Bank's share of the identifiable assets acquired and liabilities assumed, the resulting gain is recognized immediately in non-interest income – other in the Consolidated Statement of Income.

During the measurement period (which is within one year from the acquisition date), the Bank may, on a retrospective basis, adjust the amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

The Bank accounts for acquisition-related costs as expenses in the periods in which the costs are incurred and the services are received.

Subsequent to acquisition, the Bank accounts for the following assets and liabilities recognized in a business combination as described below:

- Contingent liabilities, until resolved, are measured at the higher of the amount that would be recognized as a provision or the amount initially recognized, with any change recognized in the Consolidated Statement of Income.
- Indemnification assets are measured on the same basis as the item to which the indemnification relates.
- Contingent consideration classified as a liability is measured at fair value, with any change recognized in the Consolidated Statement of Income.
- Liabilities to non-controlling interest holders when remeasured at the end of each reporting period, a corresponding change is recorded in equity.

After initial recognition of goodwill in a business combination, goodwill in aggregate is measured at cost less any accumulated impairment losses. Goodwill is not amortized but tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Goodwill is reviewed at each reporting date to determine whether there is any indication of impairment. For the purpose of impairment testing, goodwill acquired in a business combination is, on the acquisition date, allocated to each of the Bank's group of cash-generating units (CGUs) that is expected to benefit from the combination. CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal management purposes.

The Bank determines the carrying value of the CGU using a regulatory capital approach based on credit, market, operational risks and leverage, consistent with the Bank's capital attribution for business line performance measurement. Corporate capital that is not directly attributable is allocated to each CGU on a proportional basis, based on the relative attributed capital prior to the corporate capital allocation. The recoverable amount is the greater of fair value less costs of disposal (FVLCD) and value in use (VIU). If either FVLCD or VIU exceeds the carrying amount, there is no need to determine the other. An impairment loss is recognized if the carrying amount of the CGU exceeds the recoverable amount. An impairment loss, in respect of goodwill, is not reversed.

FVLCD is the price that would be received from the sale of a CGU in an orderly transaction between market participants, less cost of disposal, at the measurement date. In determining FVLCD, an appropriate valuation model is used which considers various factors, including normalized net income, control premiums and price earnings multiples. These calculations are corroborated by valuation multiples and quoted share prices for publicly traded subsidiaries or other available fair value indicators.

VIU is the present value of the future cash flows expected to be derived from a CGU. The determination of VIU involves judgment in estimating cash flow projections, discount rate and terminal growth rate. The future cash flows are based on management approved budgets and plans which factor in market trends, macroeconomic conditions, forecasted earnings and business strategy for the CGU. The discount rate is based on the cost of capital while the terminal growth rate is based on the long-term growth expectations in the relevant countries.

Intangible assets

Intangible assets represent identifiable non-monetary assets and are acquired either separately, through a business combination, or generated internally. The Bank's intangible assets are mainly comprised of computer software, customer relationships, contract intangibles, core deposit intangibles and fund management contracts.

The cost of a separately acquired intangible asset includes its purchase price and directly attributable costs of preparing the asset for its intended use. Intangibles acquired as part of a business combination are initially recognized at fair value.

In respect of internally generated intangible assets, initial measurement includes all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management.

After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and accumulated impairment losses.

Intangible assets that have finite useful lives are initially measured at cost and are amortized on a straight-line basis over their useful lives as follows: computer software – 5 to 10 years; and other intangible assets – 5 to 20 years. Amortization expense is included in the Consolidated Statement of Income under operating expenses – depreciation and amortization. As intangible assets are non-financial assets, the impairment model for non-financial assets is applied. Intangible assets with indefinite useful lives are not amortized but are tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Intangible assets with finite useful lives are only tested for impairment when events or circumstances indicate that the carrying value may be impaired.

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Impairment of non-financial assets

The carrying amount of the Bank's non-financial assets, other than goodwill, indefinite life intangible assets and deferred tax assets, which are separately addressed, is reviewed at each reporting date to determine whether there is any indication of impairment. For the purpose of impairment testing, non-financial assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent from the cash inflows of other assets or groups of assets.

If any indication of impairment exists, the asset's recoverable amount is estimated. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. The Bank's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or a CGU exceeds its recoverable amount. Impairment losses of continuing operations are recognized in the Consolidated Statement of Income in those expense categories consistent with the nature of the impaired asset. Impairment losses recognized in prior periods are reassessed at each reporting date for any indication that the loss had decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Such reversal is recognized in the Consolidated Statement of Income.

Significant judgment is applied in determining the non-financial asset's recoverable amount and assessing whether certain events or circumstances constitute objective evidence of impairment.

Corporate income taxes

The Bank follows the balance sheet liability method for corporate income taxes. Under this method, deferred tax assets and liabilities represent the cumulative amount of tax applicable to temporary differences, which are the differences between the carrying amount of the assets and liabilities, and their values for tax purposes. Deferred tax assets are recognized only to the extent it is probable that sufficient taxable profits will be available against which the benefit of these deferred tax assets can be utilized.

Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred and current tax assets and liabilities are only offset when they arise in the same tax reporting group and where the Bank has both the legal right and the intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Bank maintains provisions for uncertain tax positions that it believes appropriately reflect the risk of tax positions under discussion, audit, dispute or appeal with tax authorities, or which are otherwise considered to involve uncertainty. These provisions are made using the Bank's best estimate of the amount expected to be paid based on an assessment of all relevant factors, which are reviewed at the end of each reporting period. It is possible that additional liability and income tax expense could arise in the future, depending on the acceptance of the Bank's tax positions by the relevant tax authorities in the jurisdictions in which the Bank operates.

Income tax is recognized in the Consolidated Statement of Income, except where it relates to items recognized in other comprehensive income or directly in equity, in which case income tax is recognized in the same line as the related item.

Leases

At inception of a contract, the Bank assesses whether a contract is, or contains, a lease. A contract is a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. When the Bank is a lessee, it recognizes a right-of-use (ROU) asset and a lease liability, except for short-term leases for assets that have a lease term of 12 months or less and leases of low value items. For short-term leases and low value items, the Bank recognizes the lease payment associated with these leases as an expense on a straight-line basis over the lease term.

Asset

A ROU is an asset that represents a lessee's right to use an underlying asset for the lease term. The ROU asset is initially measured at cost, which is based on the initial amount of the lease liability, any direct costs incurred, any lease payments made at or before the commencement date net of lease incentives received and estimated decommissioning costs.

The ROU asset is subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. The ROU asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The depreciation is recorded in Depreciation and amortization in the Consolidated Statement of Income. In addition, the ROU asset is adjusted for certain remeasurements of the lease liability.

Liability

At commencement date, the Bank initially measures the lease liability at the present value of the future lease payments, discounted using the Bank's incremental borrowing rate that takes into account the Bank's credit risk and economic environment in which the lease is entered. The lease liability is subsequently measured at amortized cost using the effective interest method. It is re-measured if the Bank changes its assessment of whether it will exercise a purchase, extension or termination option. Interest expense is recorded in Interest expense – other in the Consolidated Statement of Income.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Presentation

The Bank presents ROU assets in Property and equipment and lease liabilities in Other liabilities in the Consolidated Statement of Financial Position.

Determining lease term

The Bank's expectation of exercising the option to renew a lease is determined by assessing if the Bank is "reasonably certain" to exercise that option. The Bank will be reasonably certain to exercise an option when factors create a significant economic incentive to do so. This assessment considers the following criteria: key locations for its branch network, locations on which the Bank has spent significant capital on renovation work, contribution to profit, value of locations based on current economic environment and the remaining term of existing leases.

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Provisions

A provision, including for restructuring, is recognized if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The amount recognized as a provision is the Bank's best estimate of the consideration required to settle the present obligation, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is considered material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The increase in the provision due to the passage of time is recorded as interest expense – other in the Consolidated Statement of Income.

Insurance contracts

The Bank identifies its insurance contracts under which it accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. For short duration contracts, the Bank applies the premium allocation approach which requires that the expected premium be recognized into income over the coverage period and a liability for remaining coverage be established to the extent that cash inflows are received earlier than the recognition of premiums into insurance revenue. A liability for incurred claims is established based on expected claims and expenses, with a risk adjustment for non-financial risk, required to settle past insured events.

For long duration contracts, the Bank recognizes probability-weighted discounted fulfilment cashflows and a risk adjustment for non-financial risk for groups of contracts. To the extent that those groups of contracts are expected to be profitable, a contractual service margin liability is recognized on the Consolidated Statement of Financial Position which represents unearned profits that will be recognized in the Consolidated Statement of Income in the future over the life of the contract.

Insurance revenue is earned over the period the Bank provides insurance coverage and as risk is released. For all insurance contracts, losses on onerous contracts are recognized in income immediately.

Guarantees

A guarantee is a contract that contingently requires the Bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor failed to make payment when due in accordance with the original or modified terms of a debt instrument. Guarantees include standby letters of credit, letters of guarantee, indemnifications, credit enhancements and other similar contracts. Guarantees that qualify as a derivative are accounted for in accordance with the policy for derivative instruments. For guarantees that do not qualify as a derivative, a liability is recorded for the fair value of the obligation assumed at inception. The fair value of the obligation at inception is generally based on the discounted cash flow of the premium to be received for the guarantee, resulting in a corresponding asset. Subsequent to initial recognition, such guarantees are measured at the higher of the initial amount, less amortization to recognize any fee income earned over the period, and the best estimate of the amount required to settle any financial obligation arising as a result of the guarantee. Any increase in the liability is reported in the Consolidated Statement of Income.

Employee benefits

The Bank provides pension and other benefit plans for eligible employees in Canada and internationally. Pension benefits are offered in the form of defined benefit pension plans (generally based on an employee's length of service and earnings) and defined contribution pension plans (where the Bank's contribution is fixed and there is no legal or constructive obligation to pay further amounts). Other benefits provided include post-retirement health care, dental care and life insurance, along with other long-term employee benefits, such as long-term disability benefits.

Defined benefit pension plans and other post-retirement benefit plans

The cost of these employee benefits is actuarially determined each year using the projected unit credit method. The calculation uses management's best estimate of a number of assumptions, including the discount rate, future compensation, health care costs, mortality, as well as the retirement age of employees. The most significant assumption is the discount rate used to determine the defined benefit obligation, which is set by reference to the yields on high quality corporate bonds that have durations that match the terms of the Bank's obligations. Separate discount rates are used to determine the annual benefit expense in Canada and the U.S. These rates are determined with reference to the yields on high quality corporate bonds with durations that match the various components of the annual benefit expense. The discount rate used to determine the annual benefit expense for all other plans is the same as the rate used to determine the defined benefit obligation.

The Bank's net asset or liability in respect of employee benefit plans is calculated separately for each plan as the difference between the present value of future benefits earned in respect of service for prior periods and the fair value of plan assets. The net asset or liability is included in other assets and other liabilities, as appropriate, in the Consolidated Statement of Financial Position. When the net amount in the Consolidated Statement of Financial Position is an asset, the recognized asset is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The current service cost, net interest expense (income), past service cost (credit), settlement gain (loss) and administrative expense are recognized in net income. Net interest expense (income) is calculated by applying the discount rate to the net defined benefit asset or liability. When the benefits of a plan are improved (reduced), a past service cost (credit) is recognized immediately in net income.

Remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling and the return on plan assets in excess of or less than the interest income on the fair value of assets are recognized immediately in the Consolidated Statement of Financial Position with a charge or credit to the Statement of Other Comprehensive Income (OCI) in the period in which they occur. Amounts recorded in OCI are not recycled to the Consolidated Statement of Income.

Other long-term employee benefits

Other long-term employee benefits are accounted for similarly to defined benefit pension plans and other post-retirement benefit plans described above, except that remeasurements are recognized in the Consolidated Statement of Income in the period in which they arise.

Defined contribution plans

The costs of such plans are equal to contributions payable by the Bank to employees' accounts for service rendered during the period and expensed.

Short-term employee benefits
Short-term employee benefits are expensed as the related service is provided and a liability is measured on an undiscounted basis net of payments made.

Interest and similar income and expenses

For all non-trading interest-bearing financial instruments, interest income or expense is recorded in net interest income using the effective interest rate. This is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or financial liability. The calculation takes into account all the contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

For trading financial instruments, mark-to-market changes including related interest income or expense are recorded in non-interest income – trading revenues.

The carrying amount of interest-bearing financial instruments, measured at amortized cost or classified as FVOCI, is adjusted if the Bank revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as non-interest income in the Consolidated Statement of Income.

Once the carrying value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognized based on net effective interest rate inherent in the investment.

Loan origination costs are deferred and amortized into interest income using the effective interest method over the expected term of the loan. Loan fees are recognized in interest income over the appropriate lending or commitment period. Mortgage prepayment fees are recognized in interest income when received, unless they relate to a minor modification to the terms of the mortgage, in which case the fees are deferred and amortized using the effective interest method over the remaining period of the original mortgage.

Loan syndication fees are deferred and amortized in interest income over the term of the loan where the yield the Bank retains is less than that of the comparable lenders in the syndicate.

Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognized as part of the interest income on the loan. When it is unlikely that a loan will be drawn down, the loan commitment fees are recognized in non-interest income.

Fee and commission revenues

Revenue is recognized once the Bank's customer has obtained control of the service. The transfer of control occurs when the Bank's customer has the ability to direct the use of and obtain the benefits of the banking services and the contractual performance obligation to the customer has been satisfied. The Bank records revenue gross of expenses where it is the principal in performing a service to the customer and net of expenses where the Bank is an agent for these services. The assessment of principal or agent requires judgement on the basis of whether the Bank controls the services before they are transferred to the customer. From time to time, the Bank may receive variable consideration such as performance fees. These fees are only recognized when it is highly probable that the Bank will not need to reverse a significant amount of revenue.

Card revenues include interchange fees, annual fees and other card related fees. Interchange fees are calculated as a percentage of the transaction and are recognized on the transaction date. Annual fees are recognized in income over 12 months. Other card fees are transaction-based and are recognized on the transaction date.

The Bank operates various loyalty points programs, which allow customers to accumulate points when using the Bank's products and services. Loyalty point liabilities are subject to periodic remeasurement to reflect the expected cost of redemption. Where the customer has the option to redeem points for statement credits, the cost of the loyalty program is presented net of card fees. Where points can only be redeemed for goods or services, interchange revenue allocated to the loyalty rewards is recognized when the rewards are redeemed. Reward costs are recorded in non-interest expenses.

Banking services fees consist of fees earned on personal, business and government deposit activities. Personal deposit-related fees consist of account maintenance and various transaction-based services. Business and government deposit-related fees consist of commercial deposit and treasury management services and other cash management services. These fees are recognized on the transaction date or over time as services are provided to the customer.

Credit fees include fees earned for providing letters of credit and guarantee, loan commitments, bankers' acceptances, and for arranging loan syndications. These fees are recognized on the transaction date or over time as services are provided based on contractual agreements with the customer.

Mutual funds fees include management and administration fees which are earned in the Bank's wealth management business. These fees are calculated as a percentage of the fund's net asset value and recognized as the service is provided. From time to time, the Bank may also recognize performance fees from some funds. These fees are only recognized to the extent that it is highly probable that a significant reversal of revenue will not occur.

Brokerage fees relate to fees earned for providing full-service and discount brokerage services to clients. These fees are contractually agreed and can be asset-based or linked to individual transactions. Such fees are recognized as the service is provided to clients or on the trade date.

Investment management and trust fees include administration, trust services and other investment services provided to clients. These fees are contractually agreed upon and can be linked to portfolio values or individual transactions. Such fees are recognized as the service is provided to clients to the extent that it is highly probable that a significant reversal of revenue will not occur.

Underwriting and other advisory fees relate to fees earned for services provided to clients in relation to the placement of debt and equities. Such fees also include services to clients for mergers, acquisitions, financial restructurings and other corporate finance activities. These fees are recognized when the service has been performed and/or contractual milestones are completed. Performance and completion fees are variable consideration and generally contingent on the successful completion of a transaction.

Other fees and commissions include commissions earned on the sale of third party insurance products to the Bank's customers. Such fees and commissions are recognized when the performance obligation is completed.

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Fee and commission expenses
Fee and commission expenses relate to transaction and service fees which are expensed as the services are received.

Dividend income
Dividend income on equity securities is recognized when the Bank's right to receive payment is established, which is on theex-dividend date for listed equity securities.

Share-based payments
Share-based payments awarded to employees are recognized as compensation expense in the Consolidated Statement of Income over the vesting period based on the number of awards expected to vest, including the impact of expected forfeitures. For awards that are delivered in tranches, each tranche is considered a separate award and accounted for separately.

Plain vanilla options and other awards that must be settled for shares are classified as equity awards. Equity-classified awards are expensed based on the grant date fair value with a corresponding increase to equity – other reserves in the Consolidated Statement of Financial Position. If an option is exercised, both the exercise price proceeds together with the amount recorded in other reserves is credited to equity – common shares in the Consolidated Statement of Financial Position.

Stock appreciation rights and other awards that must be settled for cash are classified as liabilities. Liability-classified awards are remeasured to fair value at each reporting date while they remain outstanding, with any changes in fair value recognized in compensation expense in the period. The liability is expensed over the vesting period which incorporates the remeasurement of the fair value and a revised forfeiture rate that anticipates units expected to vest.

For plain vanilla options and stock appreciation rights, the Bank estimates fair value using an option pricing model. The option pricing model requires inputs such as the exercise price of the option, the current share price, the risk-free interest rate, expected dividends, expected volatility (calculated using an equal weighting of implied and historical volatility) and specific employee exercise behaviour patterns based on statistical data. For other awards, fair value is the quoted market price of the Bank's common shares at the reporting date.

Where derivatives are used to economically hedge share-based payment expense, related mark-to-market gains and losses are included in non-interest expenses – salaries and employee benefits in the Consolidated Statement of Income.

Dividends on shares
Dividends on common and preferred shares and other equity instruments are recognized as a liability and deducted from equity when they are declared and no longer at the discretion of the Bank.

Segment reporting
Management's internal view is the basis for the determination of operating segments. The operating segments are those whose operating results are regularly reviewed by the Bank's chief operating decision-maker to make decisions about resources to be allocated to the segment and assess its performance. The Bank has four operating segments: Canadian Banking, International Banking, Global Wealth Management and Global Banking and Markets. The Other category represents smaller operating segments, including Group Treasury and other corporate items, which are not allocated to an operating segment. These segments offer different products and services and are managed separately based on the Bank's management and internal reporting structure.

The results of these business segments are based upon the internal financial reporting systems of the Bank. The accounting policies used in these segments are generally consistent with those followed in the preparation of the consolidated financial statements by the Bank. The only notable accounting measurement difference is the grossing up of revenues which are tax-exempt and income from associate corporations to an equivalentbefore-tax basis for those affected segments. This change in measurement enables comparison of income arising from taxable and tax-exempt sources.

Given the complexity of the Bank, various estimates and allocation methodologies are used in the preparation of the business segment financial information. The funding value of assets and liabilities is transfer-priced at wholesale market rates, and corporate expenses are allocated to each segment on an equitable basis using various parameters. As well, capital is apportioned to the business segments on a risk-based methodology. Transactions between segments are recorded within segment results as if conducted with a third-party and are eliminated on consolidation.

Earnings per share (EPS)
Basic EPS is computed by dividing net income for the period attributable to the Bank's common shareholders by the weighted-average number of common shares outstanding during the period.

Diluted EPS is calculated by dividing adjusted net income for the period attributable to common shareholders by the weighted-average number of diluted common shares outstanding for the period. In the calculation of diluted earnings per share, earnings are adjusted for changes in income or expenses that would result from the issuance of dilutive shares. The weighted-average number of diluted common shares outstanding for the period reflects the potential dilution that would occur if options, securities or other contracts that entitle their holders to obtain common shares had been outstanding from the beginning of the period (or a later date) to the end of the period (or an earlier date). Instruments determined to have an antidilutive impact for the period are excluded from the calculation of diluted EPS.

The number of additional shares for inclusion in diluted EPS for share-based payment options is determined using the treasury share method. Under this method, the net number of incremental common shares is determined by assuming that in-the-money stock options are exercised and the proceeds are used to purchase common shares at the average market price during the period.

The number of additional shares associated with capital instruments that potentially result in the issuance of common shares is based on the terms of the contract. On occurrence of contingencies as specified in the Non-Viability Contingent Capital (NVCC) instruments, the number of additional common shares associated with the NVCC subordinated debentures, NVCC subordinated additional Tier 1 capital notes, NVCC limited recourse capital notes and NVCC preferred shares is based on an automatic conversion formula as set out in the respective prospectus supplements.

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4 Transition to IFRS 17

On November 1, 2023, the Bank adopted IFRS 17 Insurance Contracts which provides a comprehensive principle-based framework for the recognition, measurement, presentation, and disclosure of insurance contracts. IFRS 17 provides three models to apply to all insurance contracts: the general measurement model, the variable fee approach, and the premium allocation approach.

On transition, IFRS 17 is applied on a full retrospective basis unless impractical, where either the modified retrospective or fair value method may be used. The Bank assessed the data and assumptions required to apply IFRS 17 and determined that the full retrospective approach could be applied for its short duration contracts and the fair value approach was applied for its longer duration contracts. The Bank has restated the comparative year results from the transition date of November 1, 2022, in accordance with the standard. The impact of adopting IFRS 17 was not significant to the Bank.

5 Interest Rate Benchmark Reform

The publication of the 1-month, 2-month and 3-month Canadian Dollar Offered Rate (CDOR) tenors ceased as of June 28, 2024. The Bank has successfully transitioned all contracts referencing CDOR and Bankers Acceptances (BAs) to alternative rates such as Canadian Overnight Repo Rate Average (CORRA) or Prime.

6 Future Accounting Developments

The Bank actively monitors developments and changes in accounting standards from the IASB, as well as requirements from the other regulatory bodies, including OSFI. The Bank is currently assessing the impact of adoption of new standards issued by the IASB on its consolidated financial statements and also evaluating the alternative elections available on transition.

Effective November 1, 2026

IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments* – Amendments

On May 30, 2024, the IASB issued "Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)" to address post-implementation review findings of IFRS 9 *Financial Instruments*.

The amendments introduce an accounting policy choice to derecognize financial liabilities settled through an electronic payment system before the settlement date upon meeting certain conditions. The amendments clarify the assessment of contractual cash flow characteristics of financial assets based on contingent events, such as interest rates linked to environmental, social and governance (ESG) targets, the treatment of non-recourse assets, and contractually linked instruments. The amendments introduce new disclosure requirements for financial instruments with contractual terms that can change cash flows due to events not directly related to changes in basic lending risks, such as certain loans subject to ESG targets. Additionally, the amendments change some of the disclosure requirements for equity instruments designated at fair value through other comprehensive income.

The amendments are effective for the Bank on November 1, 2026, and early adoption is permitted. The Bank is required to apply the amendments retrospectively but is not required to restate prior periods. The Bank is currently assessing the impact of these amendments.

Effective November 1, 2027

IFRS 18 *Presentation and Disclosure in Financial Statements*

The IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* on April 9, 2024, to replace IAS 1 *Presentation of Financial Statements* and is effective for annual periods beginning on or after January 1, 2027. IFRS 18 introduces a defined structure for the presentation of the statement of income, including required totals and subtotals, as well as aggregating and disaggregating principles to categorize financial information. The standard also requires all Management-defined performance measures to be disclosed in the notes to the financial statements.

IFRS 18 will be effective for the Bank on November 1, 2027, with early adoption permitted. The Bank is currently assessing the impact of this new standard.

7 Cash and Deposits with Financial Institutions

As at October 31 ($ millions)	2024	2023
Cash and non-interest-bearing deposits with financial institutions	**$ 9,406**	$ 10,173
Interest-bearing deposits with financial institutions	**54,454**	80,139
Total	**$ 63,860**(1)	$ 90,312(1)

(1) Net of allowances of $3 (2023 – $7).

The Bank is required to maintain balances with central banks, other regulatory authorities and certain counterparties, and these amounted to $5,322 million (2023 – $5,758 million) and are included above.

8 Fair Value of Financial Instruments

Determination of fair value

The calculation of fair value is based on market conditions at a specific point in time and therefore may not be reflective of future fair values. The Bank has controls and processes in place to ensure that the valuation of financial instruments is appropriately determined.

The Bank discloses the classification of all financial instruments carried at fair value in a hierarchy based on the determination of fair value. The best evidence of fair value for a financial instrument is the quoted price in an active market. Fair value based on unadjusted quoted market prices for identical instruments in active markets represents a Level 1 valuation. Where possible, valuations are based on quoted prices or observable inputs obtained from active markets.

Independent Price Verification (IPV) is undertaken to assess the accuracy of prices and inputs used in the determination of fair value. The IPV process is performed by price verification groups that are independent of the business. The Bank maintains a list of approved pricing sources that

are used in the IPV process. These sources include, but are not limited to, brokers, exchanges and pricing services. The valuation policies relating to the IPV process require that all pricing or rate sources used be external to the Bank. At least annually, an independent assessment of pricing or rate sources is performed to determine the market presence and reliability of market levels.

Quoted prices are not always available for over-the-counter (OTC) transactions as well as for transactions in inactive or illiquid markets. OTC transactions are valued using internal models that maximize the use of observable inputs to estimate fair value. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction. When fair value is based on all significant market observable inputs, the valuation is classified as Level 2. Financial instruments traded in a less active market can be valued using indicative market prices, the present value of cash flows or other valuation techniques. Fair value estimates normally do not consider forced or liquidation sales.

Where financial instruments trade in inactive markets or when using models where observable parameters do not exist, significant management judgment is required for valuation methodologies and model inputs. Valuations that require the significant use of unobservable inputs are considered Level 3.

The specific inputs and valuation techniques used in determining the fair value of financial instruments are noted below. For Level 3 instruments, additional information is disclosed in the Level 3 sensitivity analysis on page 169.

The fair values of cash and deposits with banks, securities purchased under resale agreements and securities borrowed, customers' liability under acceptances, obligations related to securities sold under repurchase agreements and securities lent, acceptances, and obligations related to securities sold short are assumed to approximate their carrying values, either due to their short-term nature or because they are frequently repriced to current market rates.

Trading loans

Trading loans are comprised of loans that serve as hedges to total return swaps, hedges for precious metal certificate liabilities and loans subject to sale through syndication. Trading loans that serve as hedges to loan-based credit total return swaps and precious metals certificate liabilities are valued using consensus prices from Bank approved independent pricing services. The fair value of loans subject to sale through syndication approximates their carrying value due to the short-term nature of these loans.

Government issued or guaranteed securities

The fair values of government issued or guaranteed debt securities are primarily based on unadjusted quoted prices in active markets, where available. Where quoted prices in active markets are not available, the fair value is determined by utilizing recent transaction prices, reliable broker quotes, or pricing services, which derive fair values using only observable valuation inputs, which are significant to the fair values.

For securities for which quoted prices are not available, the Bank uses a discounted cash flow method, using the effective yield of a similar instrument adjusted for instrument-specific risk factors that are observable inputs such as credit spread and contracted features.

Corporate and other debt

Corporate and other debt securities are valued using unadjusted quoted prices from independent market data providers or third-party broker quotes from an active market. Where direct prices from active markets are not available, the valuation is performed with a yield-based valuation approach. In some instances, interpolated yields of similar bonds are used to price securities. The Bank uses pricing models with observable inputs from market sources such as credit spread, and interest rate curves. These inputs are verified through an IPV process on a monthly basis.

For certain securities where there is no active market, no consensus market pricing and no indicative or executable independent third-party quotes, the Bank uses pricing by third-party providers or internal pricing models and cannot readily observe the significant inputs used to price such instruments.

Mortgage-backed securities

The fair value of residential mortgage-backed securities is primarily determined using broker quotes and independent market data providers. In limited circumstances, an internal price-based model may be used with the unobservable inputs that are significant to the fair value.

Equity securities

The fair value of equity securities is based on unadjusted quoted prices in active markets, where available. Where equity securities are less frequently traded, the most recent exchange-quoted pricing is used to determine fair value.

For private equity securities, where quoted prices in active markets are not readily available, the fair value is determined as a multiple of the underlying earnings or percentage of underlying net asset value obtained from third-party general partner statements.

Derivatives

Fair values of exchange-traded derivatives are based on unadjusted quoted market prices from an active market. Fair values of over-the-counter (OTC) derivatives or inactive exchange-traded derivatives are determined using pricing models, which take into account observable valuation inputs such as current market and contractual prices of the underlying instruments, as well as time value and yield curve or volatility factors underlying the positions. The determination of the fair value of derivatives includes consideration of credit risk, estimated funding costs and ongoing direct costs over the life of the instruments.

Derivative products valued using a valuation technique with market-observable inputs mainly include interest rate swaps and options, currency swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including foreign exchange spot, forward rates and interest rate curves.

Derivative products valued using a valuation technique with significant unobservable inputs, such as volatility, correlation, and forward curves, may include long dated contracts (interest rate swaps, currency swaps, option contracts, commodity contracts and certain credit default swaps) and other derivative products that reference a basket of assets.

Loans

The estimated fair value of loans carried at amortized cost reflects changes in the general level of interest rates and creditworthiness of borrowers that have occurred since the loans were originated or purchased. The particular valuation methods used are as follows:

- Canadian fixed rate residential mortgages are fair valued by discounting the expected future contractual cash flows, taking into account expected prepayments and using management's best estimate of average market interest rates currently offered for mortgages with similar remaining terms.

- For fixed rate business and government loans, fair value is determined by discounting the expected future contractual cash flows at market interest rates for loans with similar credit risks.
- For all other fixed rate loans, fair value is determined by discounting the expected future contractual cash flows of these loans at market interest rates.
- For all floating rate loans fair value is assumed to equal carrying value.

The fair value of loans is not adjusted for the value of any credit protection the Bank has purchased to mitigate credit risk.

Deposits

The fair values of deposits payable on demand or after notice or floating rate deposits payable on a fixed date is assumed to equal carrying value.

The estimated fair values of Canadian personal fixed rate deposits payable on a fixed date are fair valued by discounting the expected future contractual cash outflows, using management's best estimate of average market interest rates currently offered for deposits with similar remaining terms.

Deposits under the Canada Mortgage Bond (CMB) program are fair valued by discounting expected future contractual cash flows using market observable inputs.

For all other fixed rate deposits, fair value is determined by discounting the expected future contractual cash flows of these deposits at interest rates currently offered for deposits with similar terms.

For structured notes containing embedded features that are bifurcated from plain vanilla notes, the fair value of the embedded derivatives is determined using option pricing models with observable inputs similar to other interest rate or equity derivative contracts.

Certain deposits that are designated at FVTPL are structured notes. Their coupon or repayment terms can be linked to the performance of market parameters such as interest rates, equities, and foreign currencies. The fair value of these structured notes is determined using models which incorporate observable market inputs, such as interest rate curves, equity prices, equity volatility and foreign exchange rates. Some structured notes may have significant unobservable inputs to model valuation such as interest rate volatility and equity correlation.

Obligations related to securities sold short

The fair values of these obligations are based on the fair value of the underlying securities, which can include debt or equity securities. The method used to determine fair value is based on the quoted market prices where available in an active market.

Subordinated debentures and other liabilities

The fair values of subordinated debentures, including debentures issued by subsidiaries which are included in other liabilities, are determined by reference to quoted market prices where available or market prices for debt with similar terms and risks. The fair values of other liabilities are determined by the discounted contractual cash flow method with appropriate currency swap curves for the remaining term or market prices for instruments with similar terms and risks.

Fair value of financial instruments

The following table sets out the fair values of financial instruments of the Bank using the valuation methods and assumptions described above. The fair values disclosed do not include non-financial assets, such as property and equipment, investments in associates, precious metals, goodwill and other intangible assets.

	2024[1]		2023[1]	
As at October 31 ($ millions)	**Total fair value**	**Total carrying value**	Total fair value	Total carrying value
Assets:				
Cash and deposits with financial institutions	**$ 63,860**	**$ 63,860**	$ 90,312	$ 90,312
Trading assets	**129,727**	**129,727**	117,868	117,868
Securities purchased under resale agreements and securities borrowed	**200,543**	**200,543**	199,325	199,325
Derivative financial instruments	**44,379**	**44,379**	51,340	51,340
Investment securities – FVOCI and FVTPL	**123,420**	**123,420**	86,253	86,253
Investment securities – Amortized cost	**28,422**	**29,412**	29,816	31,984
Loans	**757,825**	**760,829**	736,366	750,911
Customers' liability under acceptances	**148**	**148**	18,628	18,628
Other financial assets	**22,467**	**22,467**	26,614	26,614
Liabilities:				
Deposits	**941,290**	**943,849**	942,112	952,333
Financial instruments designated at fair value through profit or loss	**36,341**	**36,341**	26,779	26,779
Acceptances	**149**	**149**	18,718	18,718
Obligations related to securities sold short	**35,042**	**35,042**	36,403	36,403
Derivative financial instruments	**51,260**	**51,260**	58,660	58,660
Obligations related to securities sold under repurchase agreements and securities lent	**190,449**	**190,449**	160,007	160,007
Subordinated debentures	**7,814**	**7,833**	9,358	9,693
Other financial liabilities	**53,342**	**53,387**	49,363	51,302

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.

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Changes in interest rates, credit spreads and liquidity costs are the main cause of changes in the fair value of the Bank's financial instruments resulting in a favourable or unfavourable variance compared to carrying value. For the Bank's financial instruments carried at cost or amortized cost, the carrying value is not adjusted to reflect increases or decreases in fair value due to market fluctuations, including those due to interest rate changes. For FVOCI investment securities, derivatives and financial instruments measured at FVTPL or designated as fair value through profit or loss, the carrying value is adjusted regularly to reflect the fair value.

Fair value hierarchy

The following table outlines the fair value hierarchy of instruments carried at fair value on a recurring basis and of instruments not carried at fair value.

	2024				2023			
As at October 31 ($ millions)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Instruments carried at fair value on a recurring basis:								
Assets:								
Precious metals[1]	**$ –**	**$ 2,540**	**$ –**	**$ 2,540**	$ –	$ 937	$ –	$ 937
Trading assets								
Loans	**–**	**7,649**	**–**	**7,649**	–	7,540	4	7,544
Canadian federal government and government guaranteed debt	**11,229**	**3,742**	**–**	**14,971**	13,766	3,603	–	17,369
Canadian provincial and municipal debt	**6,228**	**2,185**	**–**	**8,413**	5,299	4,154	–	9,453
U.S. treasury and other U.S. agencies' debt	**15,050**	**–**	**–**	**15,050**	11,218	–	–	11,218
Other foreign governments' debt	**422**	**9,932**	**–**	**10,354**	19	10,626	–	10,645
Corporate and other debt	**4,940**	**6,990**	**4**	**11,934**	3,431	7,748	–	11,179
Equity securities	**59,081**	**88**	**21**	**59,190**	47,665	67	16	47,748
Other	**–**	**2,166**	**–**	**2,166**	–	2,712	–	2,712
	$ 96,950	**$ 32,752**	**$ 25**	**$ 129,727**	$ 81,398	$ 36,450	$ 20	$ 117,868
Investment securities[2]								
Canadian federal government and government guaranteed debt	**$ 12,739**	**$ 8,801**	**$ –**	**$ 21,540**	$ 7,674	$ 4,713	$ –	$ 12,387
Canadian provincial and municipal debt	**12,823**	**4,702**	**–**	**17,525**	3,695	3,451	–	7,146
U.S. treasury and other U.S. agencies' debt	**39,999**	**6,377**	**–**	**46,376**	25,058	3,640	–	28,698
Other foreign governments' debt	**3,940**	**25,346**	**–**	**29,286**	2,527	28,891	–	31,418
Corporate and other debt	**133**	**3,359**	**35**	**3,527**	–	2,512	40	2,552
Equity securities	**2,983**	**317**	**1,866**	**5,166**	2,010	333	1,709	4,052
	$ 72,617	**$ 48,902**	**$ 1,901**	**$ 123,420**	$ 40,964	$ 43,540	$ 1,749	$ 86,253
Derivative financial instruments								
Interest rate contracts	**$ –**	**$ 11,584**	**$ –**	**$ 11,584**	$ –	$ 15,942	$ –	$ 15,942
Foreign exchange and gold contracts	**–**	**26,004**	**–**	**26,004**	–	29,465	2	29,467
Equity contracts	**150**	**4,313**	**44**	**4,507**	54	3,066	27	3,147
Credit contracts	**–**	**180**	**2**	**182**	–	342	2	344
Commodity contracts	**–**	**2,095**	**7**	**2,102**	–	2,430	10	2,440
	$ 150	**$ 44,176**	**$ 53**	**$ 44,379**	$ 54	$ 51,245	$ 41	$ 51,340
Liabilities:								
Deposits[3]	**$ –**	**$ 193**	**$ –**	**$ 193**	$ –	$ (95)	$ –	$ (95)
Financial liabilities designated at fair value through profit or loss	**–**	**36,341**	**–**	**36,341**	–	26,779	–	26,779
Obligations related to securities sold short	**30,721**	**4,319**	**2**	**35,042**	29,921	6,482	–	36,403
Derivative financial instruments								
Interest rate contracts	**–**	**17,895**	**13**	**17,908**	–	25,079	2	25,081
Foreign exchange and gold contracts	**–**	**25,900**	**–**	**25,900**	–	28,013	–	28,013
Equity contracts	**139**	**4,687**	**19**	**4,845**	135	3,106	17	3,258
Credit contracts	**–**	**46**	**1**	**47**	–	27	1	28
Commodity contracts	**–**	**2,550**	**10**	**2,560**	–	2,274	6	2,280
	$ 139	**$ 51,078**	**$ 43**	**$ 51,260**	$ 135	$ 58,499	$ 26	$ 58,660
Instruments not carried at fair value [4]**:**								
Assets:								
Investment securities – amortized cost	**$ 1,127**	**$ 27,295**	**$ –**	**$ 28,422**	$ 1,627	$ 28,189	$ –	$ 29,816
Loans[5]	**–**	**–**	**399,139**	**399,139**	–	–	415,738	415,738
Liabilities:								
Deposits[5]	**–**	**411,838**	**–**	**411,838**	–	425,251	–	425,251
Subordinated debentures	**–**	**7,814**	**–**	**7,814**	–	9,358	–	9,358
Other liabilities	**–**	**21,563**	**499**	**22,062**	–	24,651	–	24,651

(1) The fair value of precious metals is determined based on quoted market prices and forward spot prices, where applicable, less the cost to sell.
(2) Excludes debt investment securities measured at amortized cost of $29,412 (October 31, 2023 – $31,984).
(3) These amounts represent embedded derivatives bifurcated from structured note liabilities measured at amortized cost.
(4) Represents the fair value of financial assets and liabilities where the carrying amount is not a reasonable approximation of fair value.
(5) Represents fixed rate instruments.

Level 3 instrument fair value changes

Financial instruments categorized as Level 3 in the fair value hierarchy as at October 31, 2024, comprised of loans, structured corporate bonds, equity securities, derivatives, and obligations related to securities sold short.

The following table summarizes the changes in Level 3 instruments carried at fair value for the year ended October 31, 2024.

All positive balances represent assets and negative balances represent liabilities. Consequently, positive amounts indicate purchases of assets or settlements of liabilities and negative amounts indicate sales of assets or issuances of liabilities.

	As at October 31, 2024							
($ millions)	Fair value November 1 2023	Gains/(losses) recorded in income[1]	Gains/(losses) recorded in OCI	Purchases/ Issuances	Sales/ Settlements	Transfers into/out of Level 3	Fair value October 31 2024	Change in unrealized gains/(losses) recorded in income for instruments still held[2]
Trading assets								
Loans	$ 4	$ –	$ –	$ 27	$ –	$ (31)	$ –	$ –
Corporate and other debt	–	–	–	8	–	(4)	4	–
Equity securities	16	(1)	–	9	(22)	19	21	(1)
	20	(1)	–	44	(22)	(16)	25	(1)
Investment securities								
Corporate and other debt	40	(9)	4	7	–	(7)	35	(9)
Equity securities	1,709	109	(29)	244	(207)	40	1,866	109
	1,749	100	(25)	251	(207)	33	1,901	100
Derivative financial instruments – assets								
Interest rate contracts	–	–	–	8	(8)	–	–	–
Foreign exchange and gold contracts	2	–	–	–	–	(2)	–	–
Equity contracts	27	(7)	–	17	–	7	44	(7)[3]
Credit contracts	2	1	–	–	(1)	–	2	1
Commodity contracts	10	(3)	–	–	–	–	7	(3)
Derivative financial instruments – liabilities								
Interest rate contracts	(2)	(1)	–	(12)	–	2	(13)	(1)
Equity contracts	(17)	2	–	(4)	1	(1)	(19)	2[3]
Credit contracts	(1)	1	–	–	(1)	–	(1)	1
Commodity contracts	(6)	(4)	–	–	–	–	(10)	(4)
	15	(11)	–	9	(9)	6	10	(11)
Obligations related to securities sold short	–	–	–	–	–	(2)	(2)	–
Total	$ 1,784	$ 88	$ (25)	$ 304	$ (238)	$ 21	$ 1,934	$ 88

(1) Gains or losses for items in Level 3 may be offset with losses or gains on related hedges in Level 1 or Level 2.
(2) These amounts represent the unrealized gains and losses from fair value changes of Level 3 instruments still held at the end of the period that are recorded in the Consolidated Statement of Income.
(3) Certain unrealized gains and losses on derivative assets and liabilities are largely offset by mark-to-market changes on other instruments included in trading revenues in the Consolidated Statement of Income, since these instruments act as an economic hedge to certain derivative assets and liabilities.

The following table summarizes the changes in Level 3 instruments carried at fair value for the year ended October 31, 2023.

	As at October 31, 2023						
($ millions)	Fair value November 1 2022	Gains/(losses) recorded in income[1]	Gains/(losses) recorded in OCI	Purchases/ Issuances	Sales/ Settlements	Transfers into/out of Level 3	Fair value October 31 2023
Trading assets	12	–	–	8	(33)	33	20
Investment securities	1,688	56	16	233	(143)	(101)	1,749
Derivative financial instruments	10	(11)	–	(7)	(1)	24	15
Obligations related to securities sold short	(3)	–	–	–	3	–	–

(1) Gains or losses for items in Level 3 may be offset with losses or gains on related hedges in Level 1 or Level 2.

Significant transfers

Significant transfers can occur between the fair value hierarchy levels when additional or new information regarding valuation inputs and their refinement and observability becomes available. The Bank recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The following significant transfers made between Levels 1 and 2 were based on whether the fair value was determined using quoted market prices from an active market.

During the year ended October 31, 2024:

- Trading assets of $1,867 million, investment securities of $3,010 million and obligations related to securities sold short of $396 million were transferred out of Level 2 into Level 1.

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- Trading assets of $712 million, investment securities of $698 million and obligations related to securities sold short of $6 million were transferred out of Level 1 into Level 2.

During the year ended October 31, 2023:

- Trading assets of $1,413 million, investment securities of $1,204 million and obligations related to securities sold short of $114 million were transferred out of Level 2 into Level 1.
- Trading assets of $758 million, investment securities of $752 million and obligations related to securities sold short of $169 million were transferred out of Level 1 into Level 2.

The following significant transfers made between Levels 2 and 3 were based on whether the fair value was determined using significant unobservable inputs.

During the year ended October 31, 2024:

- There were no significant transfers into and out of Level 3.

During the year ended October 31, 2023:

- Investment in equity securities of $101 million were transferred out of Level 3 into Level 2.

Level 3 sensitivity analysis

The table below sets out information about significant unobservable inputs used in measuring financial instruments categorized as Level 3 in the fair value hierarchy.

	Valuation technique	Significant unobservable inputs	Range of estimates for unobservable inputs[1]	Changes in fair value from reasonably possible alternatives ($ millions)
Investment securities				
Private equity securities[2]	Market comparable	General Partner valuations per net asset value	n/a	(79)/79
Derivative financial instruments				
Interest rate contracts	Option pricing model	Interest rate volatility	80% - 220%	(2)/2
Equity contracts	Option pricing model	Equity volatility Equity correlation	8% - 414% (36%) - 94%	(28)/28
Commodity contracts	Discounted cash flow	Forward curves	6% - 15%	(4)/4

(1) The range of estimates represents the actual lowest and highest level inputs used to fair value financial instruments within each financial statement category.
(2) The valuation of private equity securities utilizes net asset values as reported by fund managers. Net asset values are not considered observable as the Bank cannot redeem these instruments at such values. The range for net asset values per unit or price per share has not been disclosed for these instruments since the valuations are not model-based.

The Bank applies judgment in determining unobservable inputs used to calculate the fair value of Level 3 instruments.

The following section discusses the significant unobservable inputs for Level 3 instruments.

General Partner (GP) Valuations per Net Asset Value

Net asset values provided by GPs represent the fair value of investments in private equity securities.

Correlation

Correlation becomes an input into equity derivative pricing when the relationship between price movements of two or more of the underlying assets is relevant.

Volatility

Volatility for equity derivatives is a measure of the underlying price fluctuation. Interest rate volatility measures variability of a security yield or interest rate. Historic volatility is often calculated as the annualized standard deviation of daily price or yield variation for a given time period. Implied volatility is such that, when input into an option pricing model, returns a value equal to the current market value of the option.

Forward curves

Monthly forward curves for commodity contracts are required inputs to valuation. A portion of the forward curves are unobservable.

9 Trading Assets

(a) Trading securities

An analysis of the carrying value of trading securities is as follows:

As at October 31, 2024 ($ millions)	Remaining term to maturity						
	Within three months	Three to twelve months	One to five years	Five to ten years	Over ten years	No specific maturity	**Carrying value**
Trading securities:							
Canadian federal government issued or guaranteed debt	**$ 352**	**$ 1,646**	**$ 6,182**	**$ 3,626**	**$ 3,165**	**$ –**	**$ 14,971**
Canadian provincial and municipal debt	**920**	**893**	**1,774**	**937**	**3,889**	**–**	**8,413**
U.S. treasury and other U.S. agency debt	**1,724**	**2,439**	**7,237**	**2,461**	**1,189**	**–**	**15,050**
Other foreign government debt	**1,458**	**3,663**	**3,883**	**1,046**	**304**	**–**	**10,354**
Equity securities	**–**	**–**	**–**	**–**	**–**	**59,190**	**59,190**
Other	**316**	**2,468**	**5,792**	**2,728**	**623**	**7**	**11,934**
Total	**$ 4,770**	**$ 11,109**	**$ 24,868**	**$ 10,798**	**$ 9,170**	**$ 59,197**	**$ 119,912**
Total by currency (in Canadian equivalent):							
Canadian dollar	**$ 1,570**	**$ 3,452**	**$ 9,779**	**$ 5,029**	**$ 7,397**	**$ 27,688**	**$ 54,915**
U.S. dollar	**1,604**	**3,643**	**10,711**	**4,426**	**1,570**	**24,796**	**46,750**
Mexican peso	**704**	**1,714**	**2,135**	**101**	**63**	**59**	**4,776**
Other currencies	**892**	**2,300**	**2,243**	**1,242**	**140**	**6,654**	**13,471**
Total trading securities	**$ 4,770**	**$ 11,109**	**$ 24,868**	**$ 10,798**	**$ 9,170**	**$ 59,197**	**$ 119,912**

As at October 31, 2023 ($ millions)	Remaining term to maturity						
	Within three months	Three to twelve months	One to five years	Five to ten years	Over ten years	No specific maturity	**Carrying value**
Trading securities:							
Canadian federal government issued or guaranteed debt	$ 1,736	$ 3,236	$ 8,216	$ 2,308	$ 1,873	$ –	$ 17,369
Canadian provincial and municipal debt	1,938	1,376	1,379	1,128	3,632	–	9,453
U.S. treasury and other U.S. agency debt	1,337	4,392	2,873	1,973	643	–	11,218
Other foreign government debt	3,437	3,908	2,593	549	158	–	10,645
Equity securities	–	–	–	–	–	47,625	47,625
Other	274	919	6,697	2,527	762	123	11,302
Total	$ 8,722	$ 13,831	$ 21,758	$ 8,485	$ 7,068	$ 47,748	$ 107,612
Total by currency (in Canadian equivalent):							
Canadian dollar	$ 3,784	$ 5,178	$ 11,924	$ 4,347	$ 6,021	$ 30,154	$ 61,408
U.S. dollar	1,709	4,568	6,766	3,404	890	12,001	29,338
Mexican peso	591	2,097	2,031	134	18	32	4,903
Other currencies	2,638	1,988	1,037	600	139	5,561	11,963
Total trading securities	$ 8,722	$ 13,831	$ 21,758	$ 8,485	$ 7,068	$ 47,748	$ 107,612

(b) Trading loans

The following table provides the geographic breakdown of trading loans:

As at October 31 ($ millions)	**2024**	2023
Trading loans[1][2]		
U.S.[3]	**$ 6,154**	$ 5,844
Europe[4]	**458**	601
Canada[4]	**980**	1,068
Other[4]	**57**	31
Total	**$ 7,649**	$ 7,544

(1) Geographic segmentation of trading loans is based upon the location of the ultimate risk of the underlying asset.
(2) Loans are primarily denominated in U.S. dollars.
(3) Includes trading loans that serve as a hedge to loan-based credit total return swaps.
(4) Includes trading loans that serve as hedges to total return swaps, hedges for precious metal certificate liabilities and loans subject to sale through syndication.

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10 Financial Instruments Designated at Fair Value Through Profit or Loss

In accordance with its risk management strategy, the Bank has elected to designate certain senior note liabilities at fair value through profit or loss to reduce an accounting mismatch between fair value changes in these instruments and fair value changes in related derivatives, and where a hybrid financial liability contains one or more embedded derivatives that are not closely related to the host contract. Changes in fair value of financial liabilities arising from the Bank's own credit risk are recognized in other comprehensive income, without subsequent reclassification to net income.

The cumulative fair value adjustment due to own credit risk is determined at a point in time by comparing the present value of expected future cash flows over the term of these liabilities discounted at the Bank's effective funding rate, and the present value of expected future cash flows discounted at a benchmark rate.

The following table presents the fair value of financial liabilities designated at fair value through profit or loss and their changes in fair value.

	Fair value		Change in fair value[1] Gains/(Losses)		Cumulative change in FV[2] Gains/(Losses)	
	As at		For the year ended			
October 31 ($ millions)	**2024**	2023	**2024**	2023	**2024**	2023
Liabilities:						
Senior note liabilities[3]	**$ 36,341**	$ 26,779	**$ (4,515)**	$ 762	**$ 4,140**	$ 8,655

(1) Change in the difference between the contractual maturity amount and the carrying value.
(2) The cumulative change in fair value is measured from the instrument's date of initial recognition.
(3) Changes in fair value attributable to changes in the Bank's own credit risk are recorded in other comprehensive income. Other changes in fair value are recorded in non-interest income – trading revenues. The offsetting fair value changes from associated derivatives is also recorded in non-interest income – trading revenues.

The following table presents the changes in fair value attributable to changes in the Bank's own credit risk for financial liabilities designated at fair value through profit or loss as well as their contractual maturity and carrying amounts.

	Senior Note Liabilities				
($ millions)	Contractual maturity amount	Carrying Value	Difference between contractual maturity amount and carrying value	Changes in fair value for the period attributable to changes in own credit risk recorded in other comprehensive income Gains/(Losses)	Cumulative changes in fair value attributable to changes in own credit risk[1] Gains/(Losses)
As at October 31, 2024	**$ 40,481**	**$ 36,341**	**$ 4,140**	**$ (804)**	**$ (913)**
As at October 31, 2023	$ 35,434	$ 26,779	$ 8,655	$ (1,338)	$ (109)

(1) The cumulative change in fair value is measured from the instrument's date of initial recognition.

11 Derivative Financial Instruments

(a) Notional amounts[1]

The following table provides the aggregate notional amounts of derivative financial instruments outstanding by type and segregated between those used by the Bank in its dealer capacity (Trading) and those derivatives designated in hedging relationships. The notional amounts of these contracts represent the derivatives volume outstanding and do not represent the potential gain or loss associated with the market risk or credit risk of such instruments. Credit derivatives within other derivative contracts are comprised primarily of purchased and sold credit default swap transactions. To a lesser extent, this category also includes total return swaps referenced to loans and debt securities. Commodity and other contracts includes energy, precious metals other than gold and other commodities.

	2024			2023		
As at October 31 ($ millions)	Trading	Hedging	Total	Trading	Hedging	Total
Interest rate contracts						
Exchange-traded:						
Futures	**$ 606,019**	**$ –**	**$ 606,019**	$ 445,831	$ –	$ 445,831
Options purchased	**5,848**	**–**	**5,848**	12,829	–	12,829
Options written	**5,430**	**–**	**5,430**	11,787	–	11,787
	617,297	**–**	**617,297**	470,447	–	470,447
Over-the-counter:						
Forward rate agreements	**215**	**–**	**215**	–	–	–
Swaps	**427,122**	**53,481**	**480,603**	383,961	40,250	424,211
Options purchased	**45,572**	**–**	**45,572**	42,320	–	42,320
Options written	**49,595**	**–**	**49,595**	50,717	–	50,717
	522,504	**53,481**	**575,985**	476,998	40,250	517,248
Over-the-counter (settled through central counterparties):						
Forward rate agreements	**86,657**	**–**	**86,657**	92,773	–	92,773
Swaps	**5,694,823**	**278,314**	**5,973,137**	5,057,948	219,390	5,277,338
Options purchased	**–**	**–**	**–**	–	–	–
Options written	**–**	**–**	**–**	–	–	–
	5,781,480	**278,314**	**6,059,794**	5,150,721	219,390	5,370,111
Total	**$ 6,921,281**	**$ 331,795**	**$ 7,253,076**	$ 6,098,166	$ 259,640	$ 6,357,806
Foreign exchange and gold contracts						
Exchange-traded:						
Futures	**$ 21,952**	**$ –**	**$ 21,952**	$ 21,336	$ –	$ 21,336
Options purchased	**–**	**–**	**–**	–	–	–
Options written	**–**	**–**	**–**	–	–	–
	21,952	**–**	**21,952**	21,336	–	21,336
Over-the-counter:						
Spot and forwards	**541,732**	**21,156**	**562,888**	448,449	23,364	471,813
Swaps	**771,246**	**108,558**	**879,804**	722,095	139,184	861,279
Options purchased	**25,135**	**–**	**25,135**	33,155	–	33,155
Options written	**36,390**	**–**	**36,390**	37,292	–	37,292
	1,374,503	**129,714**	**1,504,217**	1,240,991	162,548	1,403,539
Over-the-counter (settled through central counterparties):						
Spot and forwards	**24,865**	**–**	**24,865**	16,011	–	16,011
Swaps	**–**	**–**	**–**	–	–	–
Options purchased	**–**	**–**	**–**	–	–	–
Options written	**–**	**–**	**–**	–	–	–
	24,865	**–**	**24,865**	16,011	–	16,011
Total	**$ 1,421,320**	**$ 129,714**	**$ 1,551,034**	$ 1,278,338	$ 162,548	$ 1,440,886
Other derivative contracts						
Exchange-traded:						
Equity	**$ 59,329**	**$ –**	**$ 59,329**	$ 54,880	$ –	$ 54,880
Credit	**–**	**–**	**–**	–	–	–
Commodity and other contracts	**46,304**	**–**	**46,304**	31,321	–	31,321
	105,633	**–**	**105,633**	86,201	–	86,201
Over-the-counter:						
Equity	**83,455**	**965**	**84,420**	72,005	818	72,823
Credit	**18,086**	**–**	**18,086**	18,408	–	18,408
Commodity and other contracts	**36,596**	**–**	**36,596**	28,912	–	28,912
	138,137	**965**	**139,102**	119,325	818	120,143
Over-the-counter (settled through central counterparties):						
Equity	**–**	**–**	**–**	–	–	–
Credit	**9,069**	**–**	**9,069**	9,553	–	9,553
Commodity and other contracts	**251**	**–**	**251**	150	–	150
	9,320	**–**	**9,320**	9,703	–	9,703
Total	**$ 253,090**	**$ 965**	**$ 254,055**	$ 215,229	$ 818	$ 216,047
Total notional amounts outstanding	**$ 8,595,691**	**$ 462,474**	**$ 9,058,165**	$ 7,591,733	$ 423,006	$ 8,014,739

(1) The notional amounts represent the amount to which a rate or price is applied to determine the amount of cash flows to be exchanged.

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(b) Remaining term to maturity

The following table summarizes the remaining term to maturity of the notional amounts of the Bank's derivative financial instruments by type:

As at October 31, 2024 ($ millions)	Within one year	One to five years	Over five years	Total
Interest rate contracts				
Futures	**$ 478,886**	**$ 127,133**	**$ –**	**$ 606,019**
Forward rate agreements	**85,447**	**1,217**	**208**	**86,872**
Swaps	**2,190,218**	**2,760,062**	**1,503,460**	**6,453,740**
Options purchased	**30,562**	**18,095**	**2,763**	**51,420**
Options written	**23,960**	**19,897**	**11,168**	**55,025**
	2,809,073	**2,926,404**	**1,517,599**	**7,253,076**
Foreign exchange and gold contracts				
Futures	**16,289**	**5,663**	**–**	**21,952**
Spot and forwards	**543,486**	**38,039**	**6,228**	**587,753**
Swaps	**210,318**	**455,694**	**213,792**	**879,804**
Options purchased	**18,121**	**6,788**	**226**	**25,135**
Options written	**28,533**	**7,662**	**195**	**36,390**
	816,747	**513,846**	**220,441**	**1,551,034**
Other derivative contracts				
Equity	**103,234**	**39,521**	**994**	**143,749**
Credit	**12,661**	**9,553**	**4,941**	**27,155**
Commodity and other contracts	**57,307**	**25,467**	**377**	**83,151**
	173,202	**74,541**	**6,312**	**254,055**
Total	**$ 3,799,022**	**$ 3,514,791**	**$ 1,744,352**	**$ 9,058,165**

As at October 31, 2023 ($ millions)	Within one year	One to five years	Over five years	Total
Interest rate contracts				
Futures	$ 316,054	$ 129,359	$ 418	$ 445,831
Forward rate agreements	91,900	873	–	92,773
Swaps	1,887,305	2,452,721	1,361,523	5,701,549
Options purchased	32,854	19,765	2,530	55,149
Options written	30,878	19,808	11,818	62,504
	2,358,991	2,622,526	1,376,289	6,357,806
Foreign exchange and gold contracts				
Futures	14,793	6,512	31	21,336
Spot and forwards	447,100	32,459	8,265	487,824
Swaps	204,224	439,600	217,455	861,279
Options purchased	23,978	8,480	697	33,155
Options written	28,148	8,392	752	37,292
	718,243	495,443	227,200	1,440,886
Other derivative contracts				
Equity	94,113	33,062	528	127,703
Credit	13,824	7,485	6,652	27,961
Commodity and other contracts	39,421	20,372	590	60,383
	147,358	60,919	7,770	216,047
Total	$ 3,224,592	$ 3,178,888	$ 1,611,259	$ 8,014,739

(c) Credit risk

As with other financial assets, derivative instruments are subject to credit risk. Credit risk arises from the possibility that counterparties may default on their obligations to the Bank. However, whereas the credit risk of other financial assets is represented by the principal amount net of any applicable allowance for credit losses, the credit risk associated with derivatives is normally a small fraction of the notional amount of the derivative instrument.

Derivative contracts generally expose the Bank to credit loss if changes in market rates affect a counterparty's position unfavourably and the counterparty defaults on payment. Accordingly, exposure to credit risk of derivatives is represented by the positive fair value of the instrument.

Negotiated over-the-counter derivatives generally present greater credit exposure than exchange-traded contracts. The net change in the exchange-traded contracts is normally settled daily in cash with the exchange. Holders of these contracts look to the exchange for performance under the contract.

The Bank strives to limit credit risk by dealing with counterparties that it believes are creditworthy, and investment grade counterparties account for a significant portion of the credit risk exposure arising from the Bank's derivative transactions as at October 31, 2024. To control credit risk associated with derivatives, the Bank uses similar credit risk management activities and procedures to the approaches used in the lending business in assessing and adjudicating exposure. The Bank utilizes a risk metric, potential future exposure (PFE) for derivatives, to measure utilization

against established credit limits to the counterparty. PFE measures the effect that changes in the market have on derivative exposures throughout the lifetime of the counterparties' trades. Additionally, PFE considers risk mitigants such as netting and collateralization. PFE limits and utilization for derivatives counterparties are authorized and monitored by the Bank's risk management unit.

The Bank obtains the benefit of netting by entering into master netting arrangements with counterparties (typically industry standard International Swaps and Derivatives Association (ISDA) agreements), which allow for a single net settlement of all transactions covered by that agreement in the event of a default or early termination of the transactions. In this manner, the credit risk associated with favourable contracts is eliminated by the master netting arrangement to the extent that unfavourable contracts with the same counterparty are not settled before favourable contracts.

Collateralization is typically documented by way of an ISDA Credit Support Annex (CSA), the terms of which may vary according to each party's view of the other party's creditworthiness. CSAs can require one party to post initial margin at the onset of each transaction. CSAs also allow for variation margin to be called if total uncollateralized mark-to-market exposure exceeds an agreed upon threshold. Such variation margin provisions can be one way (only one party will ever post collateral) or bi-lateral (either party may post collateral depending upon which party is in-the-money). The CSA will also detail the types of collateral that are acceptable to each party, and the adjustments that will be applied against each collateral type. The terms of the ISDA master netting agreements and CSAs are taken into consideration in the calculation of counterparty credit risk exposure (see also page 84 of the 2024 Annual Report).

Derivative instruments used by the Bank include credit derivatives in its investment and loan portfolios: credit protection is sold as an alternative to acquiring exposure to bond or loan assets, and bought to manage or mitigate credit exposures.

The following table summarizes the credit exposure of the Bank's derivative financial instruments. The credit risk amount (CRA) represents the estimated replacement cost, or positive fair value, for all contracts. CRA takes into account master netting or collateral arrangements that have been made[1]. CRA does not reflect actual or expected losses.

The credit equivalent amount (CEA) is the exposure at default (EAD) prescribed in the Capital Adequacy Requirements (CAR) Guidelines of the Office of the Superintendent of Financial Institutions (OSFI). The risk-weighted asset is calculated by multiplying the CEA by the capital requirement (K) times 12.5, where K is a function of the probability of default (PD), loss given default (LGD), maturity and prescribed correlation factors. Commodity and other contracts includes energy, precious metals other than gold, and other commodities.

	2024(1)				2023(1)			
As at October 31 ($ millions)	Notional amount	Credit risk amount (CRA)(2)	Credit equivalent amount (CEA)(2)	Risk-Weighted Assets	Notional amount	Credit risk amount (CRA)(2)	Credit equivalent amount (CEA)(2)	Risk-Weighted Assets
Interest rate contracts								
Futures	**$ 606,019**	**$ –**	**$ 27**	**$ 1**	$ 445,831	$ –	$ 17	$ 1
Forward rate agreements	**86,872**	**70**	**88**	**57**	92,773	128	59	39
Swaps	**6,453,740**	**4,052**	**4,157**	**876**	5,701,549	4,678	8,322	611
Options purchased	**51,420**	**13**	**229**	**56**	55,149	41	164	49
Options written	**55,025**	**–**	**16**	**4**	62,504	–	16	4
	7,253,076	**4,135**	**4,517**	**994**	6,357,806	4,847	8,578	704
Foreign exchange and gold contracts								
Futures	**21,952**	**–**	**354**	**7**	21,336	–	388	8
Spot and forwards	**587,753**	**1,560**	**4,868**	**1,168**	487,824	1,544	4,458	1,168
Swaps	**879,804**	**40**	**7,965**	**1,472**	861,279	1,289	10,665	1,993
Options purchased	**25,135**	**343**	**633**	**214**	33,155	410	693	218
Options written	**36,390**	**–**	**19**	**4**	37,292	–	26	7
	1,551,034	**1,943**	**13,839**	**2,865**	1,440,886	3,243	16,230	3,394
Other derivative contracts								
Equity	**143,749**	**1,586**	**10,848**	**1,742**	127,703	1,102	7,747	1,325
Credit	**27,155**	**107**	**141**	**29**	27,961	130	60	14
Commodity and other contracts	**83,151**	**1,098**	**3,259**	**487**	60,383	1,502	3,402	348
	254,055	**2,791**	**14,248**	**2,258**	216,047	2,734	11,209	1,687
Credit Valuation Adjustment	**–**	**–**	**–**	**4,631**	–	–	–	4,703
Total derivatives	**$ 9,058,165**	**$ 8,869**	**$ 32,604**	**$ 10,748**	$ 8,014,739	$ 10,824	$ 36,017	$ 10,488
Amount settled through central counterparties(3)								
Exchange-traded	**744,882**	**–**	**5,158**	**117**	577,984	–	4,078	93
Over-the-counter	**6,093,979**	**–**	**1,063**	**21**	5,395,825	–	4,256	85
	$ 6,838,861	**$ –**	**$ 6,221**	**$ 138**	$ 5,973,809	$ –	$ 8,334	$ 178

(1) Regulatory amounts reported in 2024 and 2023 are under Revised Basel III requirements.
(2) The amounts presented are net of collateral and master netting agreements at the product level. The total amounts relating to netting and collateral were $5,510 (2023 – $40,516) for CRA, and $87,284 (2023 – $87,034) for CEA.
(3) Amounts are included under total derivatives above. Amounts include exposures settled directly through central counterparties and exposures settled through clearing members of central counterparties.

[1] Regulatory haircuts prescribed by the OSFI CAR Guidelines are applied to the collateral balances of the CRA measure.

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(d) Fair value

The following table summarizes the fair value of derivatives segregated by type and segregated between trading and those derivatives designated in hedging relationships.

As at October 31 ($ millions)	2024 Average fair value		2024 Year-end fair value		2023 Year-end fair value[1]	
	Favourable	Unfavourable	Favourable	Unfavourable	Favourable	Unfavourable
Trading						
Interest rate contracts						
Forward rate agreements	**$ 91**	**$ 81**	**$ 70**	**$ 72**	$ 128	$ –
Swaps	**7,969**	**9,676**	**7,767**	**9,357**	8,844	11,112
Options	**541**	**681**	**803**	**496**	1,413	586
	8,601	**10,438**	**8,640**	**9,925**	10,385	11,698
Foreign exchange and gold contracts						
Forwards	**5,268**	**4,602**	**6,672**	**5,482**	7,319	5,574
Swaps	**9,392**	**9,667**	**11,110**	**14,272**	12,251	12,663
Options	**462**	**487**	**492**	**446**	627	601
	15,122	**14,756**	**18,274**	**20,200**	20,197	18,838
Other derivative contracts						
Equity	**3,599**	**4,313**	**4,469**	**4,844**	3,146	3,174
Credit	**228**	**29**	**182**	**47**	344	28
Commodity and other contracts	**2,449**	**2,597**	**2,102**	**2,560**	2,440	2,280
	6,276	**6,939**	**6,753**	**7,451**	5,930	5,482
Trading derivatives' market valuation	**$ 29,999**	**$ 32,133**	**$ 33,667**	**$ 37,576**	$ 36,512	$ 36,018
Hedging						
Interest rate contracts						
Swaps			**$ 2,944**	**$ 7,983**	$ 5,557	$ 13,383
Foreign exchange and gold contracts						
Forwards			**410**	**255**	224	667
Swaps			**7,320**	**5,445**	9,046	8,508
			$ 7,730	**$ 5,700**	$ 9,270	$ 9,175
Other derivative contracts						
Equity			**$ 38**	**$ 1**	$ 1	$ 84
Hedging derivatives' market valuation			**$ 10,712**	**$ 13,684**	$ 14,828	$ 22,642
Total derivative financial instruments as per Statement of Financial Position			**$ 44,379**	**$ 51,260**	$ 51,340	$ 58,660

(1) The average fair value of trading derivatives' market valuation for the year ended October 31, 2023 was: favourable $35,211 and unfavourable $33,414. Average fair value amounts are based on the latest 13 month-end balances.

(e) Hedging activities

The Bank manages interest rate risk, foreign currency risk and equity risk through hedge accounting transactions.

Interest rate risk

Single-currency interest rate swaps are used to hedge interest rate risk exposure. In fair value hedges of interest rate risk, the interest rate exposure from fixed rate assets and liabilities is converted from fixed to floating rate exposure. In cash flow hedges of interest rate risk, the interest rate exposure from floating rate assets and liabilities is converted from floating to fixed rate exposure. The Bank generally hedges interest rate risk only to the extent of benchmark interest rates.

Foreign currency risk

In fair value hedges, cross-currency swaps and single-currency interest rate swaps are used to manage foreign currency exposure in conjunction with interest rate exposure. Cross-currency interest rate swaps or a combination of cross-currency basis swaps and single-currency interest rate swaps are mainly used to convert a foreign currency fixed rate exposure to a functional currency floating rate exposure. In hedges of both foreign currency and interest rate exposure, the interest rate risk is generally hedged only to the extent of the benchmark interest rate.

In cash flow hedges, cross-currency interest rate swaps, single-currency interest rate swaps, foreign currency forwards and foreign currency assets or liabilities are used to manage foreign currency exposure, or a combined foreign currency and interest rate exposure. Cross-currency interest rate swaps are used to offset the foreign currency exposure by exchanging the interest cash flows in one currency to another currency. Single-currency interest rate swaps may be used in conjunction with cross-currency swaps to convert the foreign currency exposure or resulting functional currency exposure from floating to fixed. Foreign currency forwards and foreign currency denominated assets and liabilities are used to offset the exposure arising from highly probable future cash flows, including purchase considerations for business acquisitions and sale proceeds for business divestitures that are denominated in a foreign currency. In hedges of both foreign currency and interest rate exposure, the interest rate risk is generally hedged only to the extent of the benchmark interest rate.

In net investment hedges, the Bank designates foreign currency liabilities and foreign currency forwards as hedging instruments to manage foreign currency exposure. The designated non-derivative liabilities are denominated in the functional currency of the net investment, such that the foreign currency translation impact from the net investment will be offset by the foreign currency impact from the designated liabilities. The foreign currency forward contracts are structured to sell the functional currency of the net investment in return for the Bank's functional currency.

Equity risk

Equity risk is created by the Bank's share-based compensation plans awarded to employees. In cash flow hedges, total return swaps are mainly used to offset the equity exposure by exchanging interest payments for payments based on the returns on the underlying shares.

For all of the risks identified above, the economic relationship and hedge ratio are determined using a qualitative and quantitative assessment. This assessment incorporates comparison of critical terms of the hedged and hedging item, and regression analysis. For regression analysis, a hedging relationship is considered highly effective when all of the following criteria are met: correlation between the variables in the regression is at least 0.8 or greater; slope of the regression is within a 0.8-1.25 range; and confidence level of the slope is at least 95%. The main sources of hedge ineffectiveness include the following:

- The use of different discount curves to value the hedged item and the hedging derivative in fair value hedges, in order to reflect the reduced credit risk of collateralized derivatives;
- Differences in key terms such as the underlying reference interest rate tenor, reset/settlement frequency and floating spread between the hedging instruments and the hedged item.

The Bank has elected to continue to apply the hedge accounting requirements of IAS 39. However, the Bank has implemented the additional hedge accounting disclosures that are required by the IFRS 9 related amendments to IFRS 7 "*Financial Instruments: Disclosures*".

The following table summarizes the notional amounts of derivatives and carrying amounts of cash and deposit liabilities designated as hedging instruments.

	2024				2023			
	Notional amounts[1]				Notional amounts[1]			
	Remaining term to maturity				Remaining term to maturity			
As at October 31 ($ millions)	Within one year	One to five years	Over five years	Total	Within one year	One to five years	Over five years	Total
Fair value hedges								
Interest rate risk – swaps	**$ 32,689**	**$ 137,123**	**$ 25,427**	**$ 195,239**	$ 20,101	$ 85,858	$ 13,987	$ 119,946
Cash flow hedges								
Interest rate risk – swaps	**29,411**	**72,802**	**13,160**	**115,373**	19,356	78,159	24,809	122,324
Foreign currency/interest rate risk – swaps	**5,516**	**19,291**	**4,359**	**29,166**	10,921	16,826	8,175	35,922
Foreign currency risk								
Swaps	**50,198**	**93,095**	**19,808**	**163,101**	68,514	102,582	26,521	197,617
Foreign currency forwards	**–**	**–**	**–**	**–**	214	–	–	214
Cash	**74**	**–**	**–**	**74**	84	–	–	84
Equity risk – total return swaps	**278**	**687**	**–**	**965**	307	511	–	818
Net investment hedges								
Foreign currency risk								
Foreign currency forwards	**21,156**	**–**	**–**	**21,156**	23,150	–	–	23,150
Deposit liabilities	**7,571**	**–**	**–**	**7,571**	6,402	–	–	6,402
Total	**$ 146,893**	**$ 322,998**	**$ 62,754**	**$ 532,645**	$ 149,049	$ 283,936	$ 73,492	$ 506,477

(1) Notional amounts relating to derivatives that are hedging multiple risks in both assets and liabilities are included in more than one category.

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The following table shows the average rate or price of significant hedging instruments.

As at October 31	2024 Average rate or price[1] Fixed interest rate	2024 Average rate or price[1] FX rate	2024 Average rate or price[1] Price	2023 Average rate or price[1] Fixed interest rate	2023 Average rate or price[1] FX rate	2023 Average rate or price[1] Price
Fair value hedges						
Interest rate risk – swaps	**3.16%**	**n/a**	**n/a**	2.51%	n/a	n/a
Cash flow hedges						
Interest rate risk – swaps	**3.16%**	**n/a**	**n/a**	3.09%	n/a	n/a
Foreign currency/interest rate risk – swaps						
USD-CAD	**1.89%**	**1.30**	**n/a**	2.15%	1.31	n/a
Foreign currency risk						
Swaps						
USD-CAD	**n/a**	**1.31**	**n/a**	n/a	1.32	n/a
EUR-CAD	**n/a**	**1.46**	**n/a**	n/a	1.45	n/a
GBP-CAD	**n/a**	**1.70**	**n/a**	n/a	1.69	n/a
Equity price risk – total return swaps	**n/a**	**n/a**	**$ 69.11**	n/a	n/a	$ 72.25
Net investment hedges						
Foreign currency risk – foreign currency forwards						
USD-CAD	**n/a**	**1.35**	**n/a**	n/a	1.34	n/a
CLP-CAD	**n/a**	**0.0014**	**n/a**	n/a	0.0016	n/a
MXN-CAD	**n/a**	**0.07**	**n/a**	n/a	0.07	n/a
PEN-CAD	**n/a**	**0.36**	**n/a**	n/a	0.35	n/a

(1) The notional weighted average rate or price is calculated in aggregate for all of the Bank's hedge relationships, including hedges of assets and liabilities.

For fair value hedges, the following table contains information related to items designated as hedging instruments, hedged items and ineffectiveness.

For the year ended October 31, 2024 ($ millions)	Carrying amount of the hedging instruments[1] Assets	Carrying amount of the hedging instruments[1] Liabilities	Hedge Ineffectiveness[2] Gains/ (losses) on hedging instrument used to calculate hedge ineffectiveness	Hedge Ineffectiveness[2] Gains/ (losses) on hedged item used to calculate hedge ineffectiveness	Hedge Ineffectiveness[2] Ineffectiveness recorded in non-interest income – other	Carrying amount of the hedged item[3]	Accumulated amount of fair value hedge adjustment gains/ (losses) on the hedged item[4] Active hedges	Accumulated amount of fair value hedge adjustment gains/ (losses) on the hedged item[4] Discontinued hedges
Fair value hedges								
Interest rate risk – swaps	**$ 2,064**	**$ (2,672)**	**$ (197)**	**$ 160**	**$ (37)**			
Investment securities			**(1,493)**	**1,484**	**(9)**	**$ 72,595**	**$ 1,274**	**$ (1,392)**
Loans			**(876)**	**851**	**(25)**	**91,354**	**(35)**	**(268)**
Deposit liabilities			**1,955**	**(1,959)**	**(4)**	**(71,363)**	**986**	**446**
Subordinated debentures			**217**	**(216)**	**1**	**(4,293)**	**21**	**(1)**
Total	**$ 2,064**	**$ (2,672)**	**$ (197)**	**$ 160**	**$ (37)**	**$ 88,293**	**$ 2,246**	**$ (1,215)**

(1) Comprises unrealized gains/losses and are recorded within derivative financial instruments in assets and liabilities, respectively in the Consolidated Statement of Financial Position.
(2) Includes ineffectiveness related to hedges discontinued during the year ended October 31, 2024.
(3) This represents the carrying value on the Consolidated Statement of Financial Position and comprises amortized cost before allowance for credit losses, plus fair value hedge adjustment, except for investment securities which are carried at fair value.
(4) This represents the accumulated fair value hedge adjustment and is a component of the carrying amount of the hedged item, except for investment securities which are carried at fair value.

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For the year ended October 31, 2023 ($ millions)	Carrying amount of the hedging instruments[1]		Hedge Ineffectiveness[2]				Accumulated amount of fair value hedge adjustment gains/ (losses) on the hedged item[4]	
	Assets	Liabilities	Gains/ (losses) on hedging instrument used to calculate hedge ineffectiveness	Gains/ (losses) on hedged item used to calculate hedge ineffectiveness	Ineffectiveness recorded in non-interest income – other	Carrying amount of the hedged item[3]	Active hedges	Discontinued hedges
Fair value hedges								
Interest rate risk – swaps	$ 4,008	$ (4,009)	$ (155)	$ 140	$ (15)			
Investment securities			323	(343)	(20)	$ 36,367	$ (2,380)	$ 55
Loans			(556)	573	17	83,899	(818)	(1,132)
Deposit liabilities			113	(125)	(12)	(65,444)	3,062	770
Subordinated debentures			(35)	35	–	(6,185)	238	(12)
Total	$ 4,008	$ (4,009)	$ (155)	$ 140	$ (15)	$ 48,637	$ 102	$ (319)

For cash flow hedges and net investment hedges, the following table contains information related to items designated as hedging instruments, hedged items and ineffectiveness.

For the year ended October 31, 2024 ($ millions)	Carrying amount of the hedging instruments[1]		Hedge Ineffectiveness[2]		
	Assets	Liabilities	Gains/(losses) on hedging instrument used to calculate hedge ineffectiveness	Gains/(losses) on hypothetical derivative used to calculate hedge ineffectiveness[3]	Ineffectiveness recorded in non-interest income – other[4]
Cash flow hedges					
Interest rate risk – swaps	**$ 1,865**	**$ (4,699)**	**$ 1,775**	**$ 1,774**	**$ 29**
Foreign currency/interest rate risk – swaps	**245**	**(2,407)**	**1,363**	**1,369**	**7**
Foreign currency risk					
Swaps	**6,090**	**(3,650)**	**1,826**	**1,787**	**10**
Foreign currency forwards	**–**	**–**	**5**	**5**	**–**
Cash	**74**	**–**	**9**	**9**	**–**
Equity risk – total return swaps	**38**	**(1)**	**263**	**263**	**–**
	8,312	**(10,757)**	**5,241**	**5,207**	**46**
Net investment hedges					
Foreign currency risk					
Foreign currency forwards	**410**	**(255)**	**178**	**178**	**–**
Deposit liabilities	**n/a**	**(7,571)**	**(62)**	**(62)**	**–**
	410	**(7,826)**	**116**	**116**	**–**
Total	**$ 8,722**	**$ (18,583)**	**$ 5,357**	**$ 5,323**	**$ 46**

(1) Comprises unrealized gains/losses for derivative instruments and are recorded within derivative financial instruments in assets and liabilities, respectively in the Consolidated Statement of Financial Position.
(2) Includes ineffectiveness related to hedges discontinued during the year ended October 31, 2024.
(3) For cash flow hedges, hypothetical derivatives having critical terms which match those of the underlying hedged item are used to assess hedge ineffectiveness.
(4) For cash flow hedges, ineffectiveness is only recognized in the Consolidated Statement of Income when thelife-to-date cumulative change in the hedging instrument exceeds the cumulative change in the hypothetical derivative.

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For the year ended October 31, 2023 ($ millions)	Carrying amount of the hedging instruments[1] Assets	Liabilities	Hedge Ineffectiveness[2] Gains/(losses) on hedging instrument used to calculate hedge ineffectiveness	Gains/(losses) on hypothetical derivative used to calculate hedge ineffectiveness[3]	Ineffectiveness recorded in non-interest income – other[4]
Cash flow hedges					
Interest rate risk – swaps	$ 2,690	$ (8,217)	$ (413)	$ (500)	$ 91
Foreign currency/interest rate risk – swaps	319	(3,818)	(670)	(638)	(15)
Foreign currency risk					
Swaps	7,586	(5,847)	5,125	5,130	(1)
Foreign currency forwards	16	(4)	(141)	(133)	(11)
Cash	84	–	(7)	(7)	–
Equity risk – total return swaps	1	(84)	(67)	(67)	–
	10,696	(17,970)	3,827	3,785	64
Net investment hedges					
Foreign currency risk					
Foreign currency forwards	208	(663)	(1,188)	(1,188)	–
Deposit liabilities	n/a	(6,402)	(91)	(91)	–
	208	(7,065)	(1,279)	(1,279)	–
Total	$ 10,904	$ (25,035)	$ 2,548	$ 2,506	$ 64

For cash flow hedges and net investment hedges, the following table contains information regarding the impacts on the Consolidated Statement of Other Comprehensive Income on a pre-tax basis.

For the year ended October 31, 2024 ($ millions)	AOCI gains/ (losses) as at November 1, 2023	Net gains/ (losses) recognized in OCI	Amount reclassified to net income as the hedged item affects net income[1]	AOCI gains/ (losses) as at October 31, 2024	Balance in cash flow hedge reserve/unrealized foreign currency translation account as at October 31, 2024 Active hedges	Discontinued hedges
Cash flow hedges						
Interest rate risk	**$ (3,480)**	**$ 1,746**	**$ 558**	**$ (1,176)**	**$ (490)**	**$ (686)**
Foreign currency/interest rate risk	**(2,007)**	**1,356**	**(48)**	**(699)**	**(733)**	**34**
Foreign currency risk	**(703)**	**1,830**	**(2,324)**	**(1,197)**	**(1,158)**	**(39)**
Equity risk	**(20)**	**263**	**(186)**	**57**	**57**	**–**
	(6,210)	**5,195**	**(2,000)**	**(3,015)**	**(2,324)**	**(691)**
Net investment hedges						
Foreign currency risk	**(4,061)**	**116**	**770**	**(3,175)**	**(3,102)**	**(73)**
Total	**$ (10,271)**	**$ 5,311**	**$ (1,230)**	**$ (6,190)**	**$ (5,426)**	**$ (764)**

(1) Amounts reclassified from the cash flow hedge and net investment hedge reserves to net income are recorded innon-interest income-other except for amortization, which is recorded in interest income.

For the year ended October 31, 2023 ($ millions)	AOCI gains/ (losses) as at November 1, 2022	Net gains/ (losses) recognized in OCI	Amount reclassified to net income as the hedged item affects net income[1]	AOCI gains/ (losses) as at October 31, 2023	Balance in cash flow hedge reserve/unrealized foreign currency translation account as at October 31, 2023 Active hedges	Discontinued hedges
Cash flow hedges						
Interest rate risk	$ (3,458)	$ (504)	$ 482	$ (3,480)	$ (3,227)	$ (253)
Foreign currency/interest rate risk	(1,875)	(655)	523	(2,007)	(2,096)	89
Foreign currency risk	(1,181)	4,989	(4,511)	(703)	(708)	5
Equity risk	(4)	(67)	51	(20)	(29)	9
	(6,518)	3,763	(3,455)	(6,210)	(6,060)	(150)
Net investment hedges						
Foreign currency risk	(3,484)	(1,279)	702	(4,061)	(3,966)	(95)
Total	$ (10,002)	$ 2,484	$ (2,753)	$ (10,271)	$ (10,026)	$ (245)

(1) Amounts reclassified from the cash flow hedge and net investment hedge reserves to net income are recorded innon-interest income-other except for amortization, which is recorded in interest income.

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12 Offsetting Financial Assets and Financial Liabilities

The Bank is eligible to present certain financial assets and financial liabilities as listed in the table below on a net basis on the Consolidated Statement of Financial Position pursuant to criteria described in Note 3 – Material accounting policies.

The following tables provide information on the impact of offsetting on the Bank's Consolidated Statement of Financial Position, as well as the financial impact of netting for instruments that are subject to enforceable master netting arrangements or similar agreements, but do not qualify for offsetting in the Consolidated Statement of Financial Position, as well as available cash and financial instrument collateral.

As at October 31, 2024 ($ millions)

Types of financial assets	Gross amounts of recognized financial instruments	Gross amounts of recognized financial instruments offset in the Consolidated Statement of Financial Position	Net amounts of financial instruments presented in the Consolidated Statement of Financial Position	Related amounts not offset in the Consolidated Statement of Financial Position		Net amount[3]
				Impact of master netting arrangements or similar agreements[1]	Collateral[2][4]	
Derivative financial instruments	**$ 44,379**	**$ –**	**$ 44,379**	**$ (29,949)**	**$ (5,559)**	**$ 8,871**
Securities purchased under resale agreements and securities borrowed	**318,531**	**(117,988)**	**200,543**	**(19,551)**	**(178,816)**	**2,176**
Total	**$ 362,910**	**$ (117,988)**	**$ 244,922**	**$ (49,500)**	**$ (184,375)**	**$ 11,047**
Types of financial liabilities						
Derivative financial instruments	**$ 51,260**	**$ –**	**$ 51,260**	**$ (29,949)**	**$ (11,565)**	**$ 9,746**
Obligations related to securities sold under repurchase agreements and securities lent	**308,437**	**(117,988)**	**190,449**	**(19,551)**	**(166,734)**	**4,164**
Total	**$ 359,697**	**$ (117,988)**	**$ 241,709**	**$ (49,500)**	**$ (178,299)**	**$ 13,910**

As at October 31, 2023 ($ millions)

Types of financial assets	Gross amounts of recognized financial instruments	Gross amounts of recognized financial instruments offset in the Consolidated Statement of Financial Position	Net amounts of financial instruments presented in the Consolidated Statement of Financial Position	Related amounts not offset in the Consolidated statement of Financial Position		Net amount[3]
				Impact of master netting arrangements or similar agreements[1]	Collateral[2][4]	
Derivative financial instruments	$ 51,340	$ –	$ 51,340	$ (33,899)	$ (6,479)	$ 10,962
Securities purchased under resale agreements and securities borrowed	272,667	(73,342)	199,325	(17,356)	(179,466)	2,503
Total	$ 324,007	$ (73,342)	$ 250,665	$ (51,255)	$ (185,945)	$ 13,465
Types of financial liabilities						
Derivative financial instruments	$ 58,660	$ –	$ 58,660	$ (33,899)	$ (14,515)	$ 10,246
Obligations related to securities sold under repurchase agreements and securities lent	233,349	(73,342)	160,007	(17,356)	(140,215)	2,436
Total	$ 292,009	$ (73,342)	$ 218,667	$ (51,255)	$ (154,730)	$ 12,682

(1) Amounts that are subject to master netting arrangements or similar agreements but were not offset in the Consolidated Statement of Financial Position because they did not meet the net settlement/simultaneous settlement criteria; or because the rights of set off are conditional upon the default of the counterparty only.
(2) Cash and financial instrument collateral amounts received or pledged in relation to the total amounts of financial assets and financial liabilities, including those that were not offset in the Consolidated Statement of Financial Position. These amounts are disclosed at fair value and the rights of set off are conditional upon the default of the counterparty.
(3) Not intended to represent the Bank's actual exposure to credit risk, as a variety of credit mitigation strategies are employed in addition to offsetting and collateral arrangements.
(4) Derivative financial instruments assets include cash collateral of $4,505 million (2023 – $4,511 million) and non-cash collateral of $1,054 million (2023 – $1,968 million). Derivative financial instruments liabilities include cash collateral of $10,847 million (2023 – $13,889 million) and non-cash collateral of $718 million (2023 – $626 million).

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13 Investment Securities

The following table presents the carrying amounts of the Bank's investment securities per measurement category.

As at October 31 ($ millions)	2024	2023
Debt investment securities measured at FVOCI	**$ 118,226**	$ 82,150
Debt investment securities measured at amortized cost	**29,412**	31,984
Equity investment securities designated at FVOCI	**3,162**	2,164
Equity investment securities measured at FVTPL	**2,004**	1,888
Debt investment securities measured at FVTPL	**28**	51
Total investment securities	**$ 152,832**	$ 118,237

(a) Debt investment securities measured at fair value through other comprehensive income (FVOCI)

	2024				2023			
As at October 31 ($ millions)	Cost	Gross unrealized gains	Gross unrealized losses	Fair value	Cost	Gross unrealized gains	Gross unrealized losses	Fair value
Canadian federal government issued or guaranteed debt	**$ 21,473**	**$ 219**	**$ 152**	**$ 21,540**	$ 12,794	$ 6	$ 413	$ 12,387
Canadian provincial and municipal debt	**17,500**	**234**	**209**	**17,525**	7,680	2	536	7,146
U.S. treasury and other U.S. agency debt	**47,156**	**214**	**994**	**46,376**	30,741	32	2,075	28,698
Other foreign government debt	**29,505**	**181**	**400**	**29,286**	32,246	91	936	31,401
Other debt	**3,514**	**22**	**37**	**3,499**	2,597	2	81	2,518
Total	**$ 119,148**	**$ 870**	**$ 1,792**	**$ 118,226**	$ 86,058	$ 133	$ 4,041	$ 82,150

(b) Debt investment securities measured at amortized cost

	2024		2023	
As at October 31 ($ millions)	Fair Value	Carrying value[1]	Fair Value	Carrying value[1]
Canadian federal and provincial government issued or guaranteed debt	**$ 8,722**	**$ 8,721**	$ 9,927	$ 10,211
U.S. treasury and other U.S. agency debt	**17,440**	**18,440**	17,912	19,788
Other foreign government debt	**2,044**	**2,041**	1,860	1,871
Corporate debt	**216**	**210**	117	114
Total	**$ 28,422**	**$ 29,412**	$ 29,816	$ 31,984

(1) Balances are net of allowances of $1 (2023 – $1).

(c) Equity investment securities designated at fair value through other comprehensive income (FVOCI)

The Bank has designated certain equity securities at FVOCI shown in the following table as these investments are held for strategic purposes.

As at October 31, 2024 ($ millions)	Cost	Gross unrealized gains	Gross unrealized losses	Fair value
Common shares	**$ 2,522**	**$ 713**	**$ 73**	**$ 3,162**
Total	**$ 2,522**	**$ 713**	**$ 73**	**$ 3,162**

As at October 31, 2023 ($ millions)	Cost	Gross unrealized gains	Gross unrealized losses	Fair value
Common shares	$ 1,947	$ 390	$ 173	$ 2,164
Total	$ 1,947	$ 390	$ 173	$ 2,164

Dividend income on equity securities designated at FVOCI of $122 million for the year ended October 31, 2024 (2023 – $137 million) has been recognized in interest income.

During the year ended October 31, 2024, the Bank has disposed of certain equity securities designated at FVOCI with a fair value of $938 million (2023 – $1,738 million) for economic reasons and according to its investment strategy. These dispositions have resulted in a cumulative gain of $21 million (2023 – cumulative loss of $205 million) that remains in OCI.

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(d) An analysis of the carrying value of investment securities is as follows:

	Remaining term to maturity						
As at October 31, 2024 ($ millions)	Within three months	Three to twelve months	One to five years	Five to ten years	Over ten years	No specific maturity	Carrying value
Fair value through other comprehensive income							
Debt instruments							
Canadian federal government issued or guaranteed debt	$ 1,873	$ 4,054	$ 11,699	$ 3,072	$ 842	$ –	$ 21,540
Yield[1] %	*4.4*	*4.2*	*3.9*	*3.5*	*3.9*	–	*3.9*
Canadian provincial and municipal debt	213	1,882	8,190	6,811	429	–	17,525
Yield[1] %	*1.8*	*3.3*	*3.7*	*3.9*	*3.8*	–	*3.7*
U.S. treasury and other U.S. agency debt	2,308	2,209	30,098	5,387	6,374	–	46,376
Yield[1] %	*2.3*	*3.5*	*3.6*	*4.1*	*4.4*	–	*3.7*
Other foreign government debt	6,203	6,069	12,969	3,715	330	–	29,286
Yield[1] %	*2.6*	*3.6*	*5.4*	*5.0*	*4.4*	–	*4.4*
Other debt	1	452	2,768	268	10	–	3,499
Yield[1] %	*10.7*	*6.1*	*3.7*	*4.5*	*5.9*	–	*4.1*
	10,598	14,666	65,724	19,253	7,985	–	118,226
Equity instruments							
Preferred equity instruments	–	–	–	–	–	–	–
Common shares	–	–	–	–	–	3,162	3,162
						3,162	3,162
Total FVOCI	10,598	14,666	65,724	19,253	7,985	3,162	121,388
Amortized cost							
Canadian federal and provincial government issued or guaranteed debt	610	2,099	5,740	272	–	–	8,721
Yield[1] %	*4.6*	*2.1*	*4.0*	*4.7*	–	–	*3.6*
U.S. treasury and other U.S. agency debt	1	48	116	13	18,262	–	18,440
Yield[1] %	*4.8*	*4.5*	*4.2*	*4.0*	*4.6*	–	*4.6*
Other foreign government debt	324	689	858	139	31	–	2,041
Yield[1] %	*3.6*	*8.6*	*3.2*	*4.0*	*4.3*	–	*5.2*
Corporate debt	–	–	81	–	129	–	210
Yield[1] %	–	–	*6.4*	–	*5.5*	–	*5.8*
	935	2,836	6,795	424	18,422	–	29,412
Fair value through profit or loss							
Equity instruments	–	–	–	–	–	2,004	2,004
Debt instruments	2	–	26	–	–	–	28
Total investment securities	$ 11,535	$ 17,502	$ 72,545	$ 19,677	$ 26,407	$ 5,166	$ 152,832
Total by currency (in Canadian equivalent):							
Canadian dollar	$ 2,725	$ 6,799	$ 23,034	$ 8,491	$ 1,409	$ 1,464	$ 43,922
U.S. dollar	2,696	3,894	40,362	8,471	24,636	3,333	83,392
Mexican peso	948	1,215	3,139	332	–	44	5,678
Other currencies	5,166	5,594	6,010	2,383	362	325	19,840
Total investment securities	$ 11,535	$ 17,502	$ 72,545	$ 19,677	$ 26,407	$ 5,166	$ 152,832

(1) Represents the weighted-average yield of fixed income securities.

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As at October 31, 2023 ($ millions)	Remaining term to maturity: Within three months	Three to twelve months	One to five years	Five to ten years	Over ten years	No specific maturity	Carrying value
Fair value through other comprehensive income							
Debt instruments							
Canadian federal government issued or guaranteed debt	$ 914	$ 4,964	$ 4,441	$ 1,265	$ 804	$ –	$ 12,388
Yield[1] %	*4.0*	*4.5*	*3.5*	*3.1*	*4.3*	–	*3.9*
Canadian provincial and municipal debt	128	185	3,732	3,053	48	–	7,146
Yield[1] %	*3.3*	*1.6*	*2.8*	*3.3*	*4.6*	–	*3.0*
U.S. treasury and other U.S. agency debt	714	2,848	18,782	2,723	3,631	–	28,698
Yield[1] %	4.8	*2.3*	*2.8*	*4.0*	*3.0*	–	*2.9*
Other foreign government debt	7,126	8,629	11,241	4,073	331	–	31,400
Yield[1] %	*2.0*	*3.6*	*4.5*	*5.4*	*3.8*	–	*3.8*
Other debt	96	193	2,160	63	6	–	2,518
Yield[1] %	*2.2*	*11.5*	*5.4*	*4.5*	*5.9*	–	*5.7*
	8,978	16,819	40,356	11,177	4,820	–	82,150
Equity instruments							
Preferred equity instruments	–	–	–	–	–	–	–
Common shares	–	–	–	–	–	2,164	2,164
						2,164	2,164
Total FVOCI	8,978	16,819	40,356	11,177	4,820	2,164	84,314
Amortized cost							
Canadian federal and provincial government issued or guaranteed debt	700	2,147	6,959	405	–	–	10,211
Yield[1] %	*3.4*	*3.2*	*3.4*	*4.7*	–	–	*3.4*
U.S. treasury and other U.S. agency debt	–	14	163	4	19,607	–	19,788
Yield[1] %	–	*5.5*	*5.0*	*4.5*	*4.5*	–	*4.5*
Other foreign government debt	151	481	1,030	185	24	–	1,871
Yield[1] %	*6.0*	*9.2*	*5.6*	*2.6*	*1.5*	–	*6.2*
Corporate debt	–	1	2	28	83	–	114
Yield[1] %	–	*5.6*	*3.9*	*3.2*	*5.6*	–	*5.0*
	851	2,643	8,154	622	19,714	–	31,984
Fair value through profit or loss							
Equity instruments	–	–	–	–	–	1,888	1,888
Debt instruments	–	–	51	–	–	–	51
Total investment securities	$ 9,829	$ 19,462	$ 48,561	$ 11,799	$ 24,534	$ 4,052	$ 118,237
Total by currency (in Canadian equivalent):							
Canadian dollar	$ 1,724	$ 7,154	$ 13,739	$ 3,744	$ 941	$ 1,648	$ 28,950
U.S. dollar	1,028	3,853	26,261	4,944	23,245	1,965	61,296
Mexican peso	737	1,447	2,468	540	–	149	5,341
Other currencies	6,340	7,008	6,093	2,571	348	290	22,650
Total investment securities	$ 9,829	$ 19,462	$ 48,561	$ 11,799	$ 24,534	$ 4,052	$ 118,237

(1) Represents the weighted-average yield of fixed income securities.

(e) Net gain on sale of investment securities

The following table presents the net gain on sale of investment securities:

For the year ended October 31 ($ millions)	2024	2023
Debt investment securities measured at amortized cost	**$ 1**	$ –
Debt investment securities measured at FVOCI	**47**	129
Net gain on sale of investment securities	**$ 48**	$ 129

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14 Loans, Impaired Loans and Allowance for Credit Losses

(a) Loans at amortized cost

As at October 31 ($ millions)	2024 Gross loans	2024 Allowance for credit losses	2024 Net carrying amount	2023 Gross loans	2023 Allowance for credit losses	2023 Net carrying amount
Residential mortgages	**$ 350,941**	**$ 1,208**	**$ 349,733**	$ 344,182	$ 1,084	$ 343,098
Personal loans	**106,379**	**2,319**	**104,060**	104,170	2,414	101,756
Credit cards	**17,374**	**1,160**	**16,214**	17,109	1,237	15,872
Business and government	**292,671**	**1,849**	**290,822**	291,822	1,637	290,185
Total	**$ 767,365**	**$ 6,536**	**$ 760,829**	$ 757,283	$ 6,372	$ 750,911

(b) Loans and acceptances outstanding by geography[1]

As at October 31 ($ millions)	2024	2023
Canada:		
Residential mortgages	**$ 297,677**	$ 290,253
Personal loans	**82,892**	80,732
Credit cards	**8,982**	8,216
Business and government	**133,810**	114,991
	523,361	494,192
United States:		
Personal loans	**4,009**	4,408
Business and government	**55,237**	61,342
	59,246	65,750
Mexico:		
Residential mortgages	**16,749**	16,556
Personal loans	**2,615**	2,200
Credit cards	**832**	808
Business and government	**23,994**	26,466
	44,190	46,030
Chile:		
Residential mortgages	**20,410**	21,499
Personal loans	**4,868**	5,081
Credit cards	**3,551**	3,654
Business and government	**20,330**	22,383
	49,159	52,617
Peru:		
Residential mortgages	**4,113**	4,102
Personal loans	**5,623**	5,424
Credit cards	**757**	1,049
Business and government	**10,545**	12,004
	21,038	22,579
Colombia:		
Residential mortgages	**2,196**	2,390
Personal loans	**2,186**	2,349
Credit cards	**1,446**	1,684
Business and government	**5,518**	6,327
	11,346	12,750
Other International:		
Residential mortgages	**9,796**	9,382
Personal loans	**4,186**	3,976
Credit cards	**1,806**	1,698
Business and government	**43,237**	48,309
	59,025	63,365
Total loans	**767,365**	757,283
Acceptances[2]	**148**	18,628
Total loans and acceptances[3]	**767,513**	775,911
Allowance for credit losses	**(6,537)**	(6,462)
Total loans and acceptances net of allowance for credit losses	**$ 760,976**	$ 769,449

(1) Geographic segmentation is based on the location of the property for residential mortgages; otherwise, the residence of the borrower.
(2) 96.5% of acceptances reside outside Canada (October 31, 2023 – 0.6%).
(3) Loans and acceptances denominated in U.S. dollars were $137,804 (2023 – $151,499), in Chilean pesos $39,425 (2023 – $41,499), Mexican pesos $31,522 (2023 – $34,894), and in other foreign currencies $54,549 (2023 – $55,855).

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(c) Loan maturities

As at October 31, 2024	Remaining term to maturity						Rate sensitivity			
($ millions)	Within one year	One to five years	Five to ten years	Over ten years	No specific maturity	Total	Floating	Fixed rate	Non-rate sensitive	Total
Residential mortgages	**$ 72,883**	**$ 233,469**	**$ 15,456**	**$ 25,264**	**$ 3,869**	**$ 350,941**	**$ 93,626**	**$ 253,954**	**$ 3,361**	**$ 350,941**
Personal loans	**18,753**	**37,707**	**5,411**	**1,171**	**43,337**	**106,379**	**47,790**	**57,219**	**1,370**	**106,379**
Credit cards	**–**	**–**	**–**	**–**	**17,374**	**17,374**	**–**	**17,374**	**–**	**17,374**
Business and government	**142,536**	**135,474**	**7,340**	**405**	**6,916**	**292,671**	**216,334**	**73,596**	**2,741**	**292,671**
Total	**$ 234,172**	**$ 406,650**	**$ 28,207**	**$ 26,840**	**$ 71,496**	**$ 767,365**	**$ 357,750**	**$ 402,143**	**$ 7,472**	**$ 767,365**
Allowance for credit losses	**–**	**–**	**–**	**–**	**(6,536)**	**(6,536)**	**–**	**–**	**(6,536)**	**(6,536)**
Total loans net of allowance for credit losses	**$ 234,172**	**$ 406,650**	**$ 28,207**	**$ 26,840**	**$ 64,960**	**$ 760,829**	**$ 357,750**	**$ 402,143**	**$ 936**	**$ 760,829**

As at October 31, 2023	Remaining term to maturity						Rate sensitivity			
($ millions)	Within one year	One to five years	Five to ten years	Over ten years	No specific maturity	Total	Floating	Fixed rate	Non-rate sensitive	Total
Residential mortgages	$ 47,610	$ 254,546	$ 15,830	$ 23,946	$ 2,250	$ 344,182	$ 98,606	$ 242,589	$ 2,987	$ 344,182
Personal loans	18,279	37,875	5,593	1,189	41,234	104,170	44,913	58,002	1,255	104,170
Credit cards	–	–	–	–	17,109	17,109	–	17,109	–	17,109
Business and government	149,625	131,039	5,493	339	5,326	291,822	177,428	112,583	1,811	291,822
Total	$ 215,514	$ 423,460	$ 26,916	$ 25,474	$ 65,919	$ 757,283	$ 320,947	$ 430,283	$ 6,053	$ 757,283
Allowance for credit losses	–	–	–	–	(6,372)	(6,372)	–	–	(6,372)	(6,372)
Total loans net of allowance for credit losses	$ 215,514	$ 423,460	$ 26,916	$ 25,474	$ 59,547	$ 750,911	$ 320,947	$ 430,283	$ (319)	$ 750,911

(d) Impaired loans[1]

	2024			2023		
As at October 31 ($ millions)	Gross impaired loans[1]	Allowance for credit losses	Net	Gross impaired loans[1]	Allowance for credit losses	Net
Residential mortgages	**$ 2,372**	**$ 645**	**$ 1,727**	$ 1,864	$ 498	$ 1,366
Personal loans	**1,117**	**621**	**496**	1,176	664	512
Credit cards	**–**	**–**	**–**	–	–	–
Business and government	**3,250**	**788**	**2,462**	2,686	719	1,967
Total	**$ 6,739**	**$ 2,054**	**$ 4,685**	$ 5,726	$ 1,881	$ 3,845
By geography:						
Canada	**$ 2,158**	**$ 569**	**$ 1,589**	$ 1,564	$ 514	$ 1,050
United States	**109**	**22**	**87**	–	–	–
Mexico	**1,343**	**424**	**919**	1,183	372	811
Peru	**715**	**385**	**330**	691	372	319
Chile	**1,249**	**281**	**968**	1,098	264	834
Colombia	**322**	**109**	**213**	356	97	259
Other International	**843**	**264**	**579**	834	262	572
Total	**$ 6,739**	**$ 2,054**	**$ 4,685**	$ 5,726	$ 1,881	$ 3,845

(1) Interest income recognized on impaired loans during the year ended October 31, 2024 was $84 (2023 – $57).

(e) Allowance for credit losses

(i) Key inputs and assumptions

The Bank's allowance for credit losses is measured using a three-stage approach based on the extent of credit deterioration since origination. The calculation of the Bank's allowance for credit losses is an output of a set of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Some of the key drivers include the following:

- Changes in risk ratings of the borrower or instrument reflecting changes in their credit quality;
- Changes in the volumes of transactions;
- Changes in the forward-looking macroeconomic environment reflected in the variables used in the models such as GDP growth, unemployment rates, commodity prices, interest rates and house price indices, which are closely related with credit losses in the relevant portfolio;
- Changes in macroeconomic scenarios and the probability weights assigned to each scenario; and
- Borrower migration between the three stages.

The Bank determines its allowance for credit losses using four probability-weighted forward-looking scenarios (base case, optimistic, pessimistic and very pessimistic).

The Bank considers both internal and external sources of information and data to achieve unbiased projections and forecasts in determining the allowance for credit losses. The Bank prepares the scenarios using forecasts generated by Scotiabank Economics (SE). The forecasts are generated using models whose outputs are modified by SE as necessary to formulate a 'base case' view of the most probable future direction of economic developments. The development of the base case and alternative scenarios is overseen by a governance committee that consists of internal stakeholders from across the Bank. The final base case and alternative scenarios reflect significant review and oversight, and incorporate judgment both in the determination of the scenarios' forecasts and the probability weights that are assigned to them.

(ii) Key macroeconomic variables

The inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the financial statements. Qualitative adjustments or overlays may be made for certain portfolios or geographies as temporary adjustments in circumstances where, in the Bank's view, the inputs, assumptions, and/or modelling techniques do not capture all relevant risk factors, including the emergence of economic or geopolitical events, up to the date of financial statements.

The Bank has applied expert credit judgement in the determination of the allowance for credit losses to capture, as described above, all relevant risk factors up to the end of the reporting period. The Bank considered both quantitative and qualitative information in the assessment of significant increase in credit risk.

Over the last year, the Canadian and U.S. economies continued to exhibit resilience in the face of restrictive monetary policy, supported by still strong labour markets and consumption, particularly in the U.S., with both economies on track to record stronger economic growth in 2024 than forecast last year. Notwithstanding the upward revision to growth, in Canada, more clear signs of slowing emerged over the past few months, with excess supply opening up room for the Bank of Canada to begin monetary policy easing earlier this year as inflation continued to decline. In the U.S., a more robust labour market and fiscal stimulus led to more substantial revisions to growth and slower progress on inflation, with the U.S. central bank cutting a quarter later than previously expected. It appears a soft-landing has been achieved, with a reacceleration of growth in 2025 expected in Canada from the orderly slowdown of 2024. In the U.S. a mild deceleration relative to 2024 is expected, yet it is still stronger than the forecast in 2023.

The optimistic scenario features somewhat stronger economic activity relative to the base case. The pessimistic scenario features a negative demand-type shock on the world economy with globally tighter private financial conditions, weaker growth and inflation, and lower monetary policy rates than in the baseline scenario. Lastly, the very pessimistic scenario features a strong stagflationary impulse that leads to a protracted period of financial market uncertainty. This results in higher inflation, requiring central banks to raise their policy rate to higher levels than in the base case in order to bring inflation under control, which is dampening economic activity.

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The following tables show certain key macroeconomic variables used to calculate the modelled estimate for the allowance for credit losses. Further changes in these variables up to the date of the financial statements is incorporated through expert credit judgment. For the base case, optimistic and pessimistic scenarios, the projections are provided for the next 12 months and for the remaining forecast period, which represents a medium-term view.

	Base Case Scenario		Alternative Scenario – Optimistic		Alternative Scenario – Pessimistic		Alternative Scenario – Very Pessimistic	
October 31, 2024	Next 12 Months	Remaining Forecast Period	Next 12 Months	Remaining Forecast Period	Next 12 Months	Remaining Forecast Period	Next 12 Months	Remaining Forecast Period
Canada								
Real GDP growth, y/y % change	**1.8**	**2.2**	**2.8**	**3.1**	**-1.6**	**2.9**	**-4.4**	**3.4**
Consumer price index, y/y %	**2.2**	**2.0**	**2.4**	**2.5**	**1.6**	**1.7**	**5.8**	**2.2**
Unemployment rate, average %	**6.7**	**6.0**	**6.3**	**5.0**	**8.4**	**6.9**	**11.1**	**7.3**
Bank of Canada overnight rate target, average %	**3.3**	**2.6**	**3.5**	**3.6**	**2.9**	**2.0**	**4.0**	**3.2**
HPI – Housing Price Index, y/y % change	**1.6**	**4.2**	**2.4**	**5.5**	**-3.7**	**4.8**	**-5.8**	**4.1**
USD/CAD exchange rate, average	**1.34**	**1.30**	**1.33**	**1.28**	**1.43**	**1.28**	**1.49**	**1.30**
U.S.								
Real GDP growth, y/y % change	**1.6**	**2.2**	**2.3**	**3.1**	**-1.6**	**3.0**	**-4.0**	**3.4**
Consumer price index, y/y %	**2.4**	**2.3**	**2.6**	**2.7**	**1.3**	**2.0**	**6.2**	**2.5**
Target federal funds rate, upper limit, average %	**4.1**	**2.9**	**4.1**	**3.4**	**3.6**	**1.8**	**4.8**	**3.4**
Unemployment rate, average %	**4.3**	**4.3**	**4.2**	**3.9**	**6.0**	**4.9**	**8.1**	**5.2**
Mexico								
Real GDP growth, y/y % change	**1.3**	**2.1**	**2.6**	**2.9**	**-0.8**	**2.6**	**-2.9**	**3.2**
Unemployment rate, average %	**3.3**	**3.9**	**3.0**	**3.1**	**4.1**	**4.0**	**6.3**	**4.9**
Chile								
Real GDP growth, y/y % change	**3.0**	**2.2**	**4.6**	**3.2**	**0.1**	**3.0**	**-3.6**	**3.8**
Unemployment rate, average %	**7.9**	**6.7**	**7.6**	**6.0**	**9.5**	**7.0**	**11.5**	**7.4**
Peru								
Real GDP growth, y/y % change	**2.6**	**3.4**	**3.6**	**4.5**	**1.5**	**3.7**	**-0.5**	**4.3**
Unemployment rate, average %	**6.7**	**6.2**	**6.2**	**5.2**	**8.1**	**6.5**	**11.8**	**8.0**
Colombia								
Real GDP growth, y/y % change	**2.6**	**2.7**	**3.7**	**3.8**	**1.4**	**3.1**	**-0.5**	**3.6**
Unemployment rate, average %	**11.1**	**10.1**	**10.7**	**9.1**	**13.5**	**10.6**	**19.8**	**13.0**
Caribbean								
Real GDP growth, y/y % change	**3.6**	**3.8**	**4.2**	**4.5**	**2.5**	**4.2**	**0.6**	**4.7**
Global								
WTI oil price, average USD/bbl	**73**	**69**	**78**	**83**	**60**	**60**	**53**	**58**
Copper price, average USD/lb	**4.99**	**5.29**	**5.16**	**5.86**	**4.50**	**5.13**	**4.32**	**5.02**
Global GDP, y/y % change	**3.40**	**2.40**	**4.30**	**3.30**	**0.60**	**3.10**	**-1.50**	**3.50**

October 31, 2023	Base Case Scenario		Alternative Scenario – Optimistic		Alternative Scenario – Pessimistic		Alternative Scenario – Very Pessimistic	
	Next 12 Months	Remaining Forecast Period	Next 12 Months	Remaining Forecast Period	Next 12 Months	Remaining Forecast Period	Next 12 Months	Remaining Forecast Period
Canada								
Real GDP growth, y/y % change	0.7	2.9	1.3	4.2	-2.2	3.5	-4.3	3.9
Consumer price index, y/y %	2.8	2.0	2.8	2.5	1.8	1.6	6.4	2.2
Unemployment rate, average %	6.0	5.7	5.7	4.2	7.6	6.3	9.7	6.6
Bank of Canada overnight rate target, average %	4.8	2.6	4.8	3.5	3.6	1.4	5.8	3.3
HPI – Housing Price Index, y/y % change	-1.9	1.4	-1.4	2.9	-5.5	2.2	-6.8	1.5
USD/CAD exchange rate, average	1.27	1.24	1.27	1.22	1.41	1.26	1.47	1.28
U.S.								
Real GDP growth, y/y % change	1.0	1.9	1.5	2.7	-2.0	2.7	-3.8	3.0
Consumer price index, y/y %	3.2	2.2	3.5	2.6	1.9	1.8	7.0	2.5
Target federal funds rate, upper limit, average %	5.3	2.5	5.4	3.4	4.2	0.8	6.3	3.1
Unemployment rate, average %	4.1	4.5	3.9	4.1	5.6	5.0	7.2	5.2
Mexico								
Real GDP growth, y/y % change	1.7	2.2	2.6	3.3	-0.2	2.7	-2.8	3.2
Unemployment rate, average %	3.7	3.9	3.6	3.2	4.7	4.1	6.8	4.9
Chile								
Real GDP growth, y/y % change	1.3	2.9	2.8	4.6	-0.9	3.5	-3.1	4.1
Unemployment rate, average %	8.5	7.0	8.2	6.3	9.6	7.3	11.3	7.6
Peru								
Real GDP growth, y/y % change	1.9	2.7	2.7	3.9	0.8	3.1	-1.4	3.6
Unemployment rate, average %	6.9	7.0	6.2	5.1	8.3	7.3	11.6	8.8
Colombia								
Real GDP growth, y/y % change	2.4	3.0	3.7	4.3	1.4	3.4	-0.9	3.9
Unemployment rate, average %	9.2	9.9	8.6	7.9	11.1	10.3	15.6	12.3
Caribbean								
Real GDP growth, y/y % change	3.8	3.8	4.5	4.9	2.8	4.2	0.5	4.7
Global								
WTI oil price, average USD/bbl	78	66	84	82	68	63	62	61
Copper price, average USD/lb	3.97	5.01	4.11	5.65	3.70	4.89	3.56	4.83
Global GDP, y/y % change	2.75	2.45	3.62	3.48	0.10	3.10	-1.48	3.45

(iii) Sensitivity

Relative to the base case scenario, the weighting of these multiple scenarios increased the reported allowance for credit losses for financial assets in Stage 1 and Stage 2 to $4,682 million (2023 – $4,719 million) from $4,316 million (2023 – $4,510 million).

The Bank enhanced certain of its IFRS 9 models in the current year, with the enhanced models exhibiting higher sensitivity to changes in the macroeconomic outlook. If the Bank was to apply a probability weighted average of its two pessimistic scenarios for the measurement of allowance for credit losses for such assets, the allowance for credit losses on performing financial instruments would be $942 million higher than the reported allowance for credit losses as at October 31, 2024 (October 31, 2023 – $436 million), excluding the consideration of changes in qualitative overlays or expert credit judgement. Actual results will differ as this does not consider the migration of exposures or incorporate changes that would occur in the portfolio due to risk mitigation actions and other factors.

Under our current probability-weighted scenarios, if all of our performing financial assets were in Stage 1, reflecting a 12 month expected loss period, the allowance for credit losses would be $693 million (2023 – $553 million) lower than the reported allowance for credit losses on performing financial assets.

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(iv) Allowance for credit losses

($ millions)	Balance as at November 1, 2023	Provision for credit losses[1]	Net write-offs	Other, including foreign currency adjustment	Balance as at October 31, 2024
Residential mortgages	**$ 1,084**	**$ 257**	**$ (76)**	**$ (57)**	**$ 1,208**
Personal loans	**2,414**	**1,893**	**(1,857)**	**(131)**	**2,319**
Credit cards	**1,237**	**1,122**	**(1,166)**	**(33)**	**1,160**
Business and government	**1,876**	**790**	**(424)**	**(206)**	**2,036**
	$ 6,611	**$ 4,062**	**$ (3,523)**	**$ (427)**	**$ 6,723**
Presented as:					
Allowance for credit losses on loans	**$ 6,372**				**$ 6,536**
Allowance for credit losses on acceptances[2]	**90**				**1**
Allowance for credit losses on off-balance sheet exposures[3]	**149**				**186**

(1) Excludes amounts associated with other assets and reversal of impairment losses of $(11). The provision for credit losses, net of these amounts, is $4,051.
(2) Allowance for credit losses on acceptances is recorded against the financial asset in the Consolidated Statement of Financial Position.
(3) Allowance for credit losses on off-balance sheet exposures is recorded in other liabilities in the Consolidated Statement of Financial Position.

($ millions)	Balance as at November 1, 2022	Provision for credit losses[1]	Net write-offs	Other, including foreign currency adjustment	Balance as at October 31, 2023
Residential mortgages	$ 899	$ 212	$ (66)	$ 39	$ 1,084
Personal loans	2,137	1,377	(1,180)	80	2,414
Credit cards	1,083	1,017	(916)	53	1,237
Business and government	1,368	825	(290)	(27)	1,876
	$ 5,487	$ 3,431	$ (2,452)	$ 145	$ 6,611
Presented as:					
Allowance for credit losses on loans	$ 5,348				$ 6,372
Allowance for credit losses on acceptances[2]	31				90
Allowance for credit losses on off-balance sheet exposures[3]	108				149

(1) Excludes amounts associated with other assets and reversal of impairment losses of $9. The provision for credit losses, net of these amounts, is $3,422.
(2) Allowance for credit losses on acceptances is recorded against the financial asset in the Consolidated Statement of Financial Position.
(3) Allowance for credit losses on off-balance sheet exposures is recorded in other liabilities in the Consolidated Statement of Financial Position.

Allowancefor credit losses on loans

As at October 31, 2024 ($ millions)	Stage 1	Stage 2	Stage 3	Total
Residential mortgages	**$ 165**	**$ 398**	**$ 645**	**$ 1,208**
Personal loans	**544**	**1,154**	**621**	**2,319**
Credit cards	**288**	**872**	**–**	**1,160**
Business and government	**586**	**475**	**788**	**1,849**
Total[1]	**$ 1,583**	**$ 2,899**	**$ 2,054**	**$ 6,536**

(1) Excludes allowance for credit losses for other financial assets including acceptances, investment securities, deposits with banksoff-balance sheet credit risks and reverse repos which amounted to $200.

As at October 31, 2023 ($ millions)	Stage 1	Stage 2	Stage 3	Total
Residential mortgages	$ 265	$ 321	$ 498	$ 1,084
Personal loans	647	1,103	664	2,414
Credit cards	414	823	–	1,237
Business and government	535	383	719	1,637
Total[1]	$ 1,861	$ 2,630	$ 1,881	$ 6,372

(1) Excludes allowance for credit losses for other financial assets including acceptances, investment securities, deposits with banksoff-balance sheet credit risks and reverse repos which amounted to $257.

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The following table presents the changes to the allowance for credit losses on loans.

($ millions)	As at October 31, 2024				As at October 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Residential mortgages								
Balance at beginning of the year	**$ 265**	**$ 321**	**$ 498**	**$ 1,084**	$ 197	$ 296	$ 406	$ 899
Provision for credit losses								
Remeasurement[1]	**(271)**	**164**	**373**	**266**	(125)	74	253	202
Newly originated or purchased financial assets	**41**	**–**	**–**	**41**	35	–	–	35
Derecognition of financial assets and maturities	**(9)**	**(22)**	**–**	**(31)**	(9)	(16)	–	(25)
Changes in models and methodologies[7]	**(22)**	**3**	**–**	**(19)**	–	–	–	–
Transfer to (from):								
Stage 1	**215**	**(165)**	**(50)**	**–**	183	(138)	(45)	–
Stage 2	**(40)**	**197**	**(157)**	**–**	(35)	149	(114)	–
Stage 3	**–**	**(84)**	**84**	**–**	–	(62)	62	–
Gross write-offs	**–**	**–**	**(100)**	**(100)**	–	–	(97)	(97)
Recoveries	**–**	**–**	**24**	**24**	–	–	31	31
Foreign exchange and other movements[6]	**(14)**	**(16)**	**(27)**	**(57)**	19	18	2	39
Balance at end of year[2]	**$ 165**	**$ 398**	**$ 645**	**$ 1,208**	$ 265	$ 321	$ 498	$ 1,084
Personal loans								
Balance at beginning of the year	**$ 647**	**$ 1,103**	**$ 664**	**$ 2,414**	$ 665	$ 921	$ 551	$ 2,137
Provision for credit losses								
Remeasurement[1]	**(686)**	**976**	**1,497**	**1,787**	(727)	1,027	964	1,264
Newly originated or purchased financial assets	**365**	**–**	**–**	**365**	376	–	–	376
Derecognition of financial assets and maturities	**(97)**	**(190)**	**–**	**(287)**	(91)	(172)	–	(263)
Changes in models and methodologies[7]	**(68)**	**96**	**–**	**28**	–	–	–	–
Transfer to (from):								
Stage 1	**658**	**(642)**	**(16)**	**–**	618	(603)	(15)	–
Stage 2	**(231)**	**344**	**(113)**	**–**	(212)	297	(85)	–
Stage 3	**(13)**	**(504)**	**517**	**–**	(10)	(392)	402	–
Gross write-offs	**–**	**–**	**(2,145)**	**(2,145)**	–	–	(1,417)	(1,417)
Recoveries	**–**	**–**	**288**	**288**	–	–	237	237
Foreign exchange and other movements[6]	**(31)**	**(29)**	**(71)**	**(131)**	28	25	27	80
Balance at end of year[2]	**$ 544**	**$ 1,154**	**$ 621**	**$ 2,319**	$ 647	$ 1,103	$ 664	$ 2,414
Credit cards								
Balance at beginning of the year	**$ 414**	**$ 823**	**$ –**	**$ 1,237**	$ 436	$ 647	$ –	$ 1,083
Provision for credit losses								
Remeasurement[1]	**(361)**	**643**	**835**	**1,117**	(300)	614	653	967
Newly originated or purchased financial assets	**136**	**–**	**–**	**136**	188	–	–	188
Derecognition of financial assets and maturities	**(53)**	**(61)**	**–**	**(114)**	(65)	(73)	–	(138)
Changes in models and methodologies[7]	**(38)**	**21**	**–**	**(17)**	–	–	–	–
Transfer to (from):								
Stage 1	**335**	**(335)**	**–**	**–**	273	(273)	–	–
Stage 2	**(135)**	**135**	**–**	**–**	(140)	140	–	–
Stage 3	**–**	**(330)**	**330**	**–**	–	(255)	255	–
Gross write-offs	**–**	**–**	**(1,356)**	**(1,356)**	–	–	(1,113)	(1,113)
Recoveries	**–**	**–**	**190**	**190**	–	–	197	197
Foreign exchange and other movements[6]	**(10)**	**(24)**	**1**	**(33)**	22	23	8	53
Balance at end of year[2]	**$ 288**	**$ 872**	**$ –**	**$ 1,160**	$ 414	$ 823	$ –	$ 1,237
Total retail loans								
Balance at beginning of the year	**$ 1,326**	**$ 2,247**	**$ 1,162**	**$ 4,735**	$ 1,298	$ 1,864	$ 957	$ 4,119
Provision for credit losses								
Remeasurement[1]	**(1,318)**	**1,783**	**2,705**	**3,170**	(1,152)	1,715	1,870	2,433
Newly originated or purchased financial assets	**542**	**–**	**–**	**542**	599	–	–	599
Derecognition of financial assets and maturities	**(159)**	**(273)**	**–**	**(432)**	(165)	(261)	–	(426)
Changes in models and methodologies[7]	**(128)**	**120**	**–**	**(8)**	–	–	–	–
Transfer to (from):								
Stage 1	**1,208**	**(1,142)**	**(66)**	**–**	1,074	(1,014)	(60)	–
Stage 2	**(406)**	**676**	**(270)**	**–**	(387)	586	(199)	–
Stage 3	**(13)**	**(918)**	**931**	**–**	(10)	(709)	719	–
Gross write-offs	**–**	**–**	**(3,601)**	**(3,601)**	–	–	(2,627)	(2,627)
Recoveries	**–**	**–**	**502**	**502**	–	–	465	465
Foreign exchange and other movements[6]	**(55)**	**(69)**	**(97)**	**(221)**	69	66	37	172
Balance at end of year[2]	**$ 997**	**$ 2,424**	**$ 1,266**	**$ 4,687**	$ 1,326	$ 2,247	$ 1,162	$ 4,735
Business and government								
Balance at beginning of the year	**$ 635**	**$ 403**	**$ 748**	**$ 1,786**	$ 322	$ 320	$ 695	$ 1,337
Provision for credit losses								
Remeasurement[1]	**(210)**	**288**	**622**	**700**	168	172	427	767
Newly originated or purchased financial assets	**936**	**–**	**–**	**936**	467	–	–	467
Derecognition of financial assets and maturities	**(860)**	**(126)**	**(9)**	**(995)**	(391)	(50)	(31)	(472)
Changes in models and methodologies[7]	**200**	**37**	**–**	**237**	–	–	–	–
Transfer to (from):								
Stage 1	**154**	**(154)**	**–**	**–**	108	(108)	–	–
Stage 2	**(110)**	**114**	**(4)**	**–**	(52)	63	(11)	–
Stage 3	**–**	**(21)**	**21**	**–**	–	(8)	8	–
Gross write-offs	**–**	**–**	**(484)**	**(484)**	–	–	(355)	(355)
Recoveries	**–**	**–**	**60**	**60**	–	–	65	65
Foreign exchange and other movements	**(6)**	**(33)**	**(166)**	**(205)**	13	14	(50)	(23)
Balance at end of period including off-balance sheet exposures[2]	**$ 739**	**$ 508**	**$ 788**	**$ 2,035**	$ 635	$ 403	$ 748	$ 1,786
Less: Allowance for credits losses on off-balance sheet exposures[2][3]	**(153)**	**(33)**	**–**	**(186)**	(100)	(20)	(29)	(149)
Balance at end of year[2]	**$ 586**	**$ 475**	**$ 788**	**$ 1,849**	$ 535	$ 383	$ 719	$ 1,637

(1) Includes credit risk changes as a result of significant increases in credit risk, changes in credit risk that did not result in a transfer between stages, changes in model inputs and assumptions and changes due to drawdowns of undrawn commitments.
(2) Interest income on impaired loans for residential mortgages, personal loans, credit cards, and business and government loans totaled $443 (2023 – $378).
(3) Allowance for credit losses on off-balance sheet exposures is recorded in other liabilities in the Consolidated Statement of Financial Position.
(4) Allowance for credit losses on acceptances are recorded against the financial asset in the Consolidated Statement of Financial Position.

(5) During the year ended October 31, 2024, the contractual terms of certain financial assets were modified where the modification did not result in derecognition. The carrying value of such loans that were modified in Stage 2 and Stage 3 was $3,504 (2023 – $2,096) and $726 (2023 – $798) respectively, before the modification.
(6) Divestitures are included in the foreign exchange and other movements.
(7) Comprises changes due to enhanced IFRS 9 models, including changes to reflect previously established expert credit judgment overlays that are now incorporated in the model.

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(f) Carrying value of exposures by risk rating

Residential mortgages	As at October 31, 2024				As at October 31, 2023			
Category of PD grades ($ millions)	Stage 1	Stage 2	Stage 3[1]	Total	Stage 1	Stage 2	Stage 3[1]	Total
Very low	**$ 211,165**	**$ 3,262**	**$ –**	**$ 214,427**	$ 202,322	$ 957	$ –	$ 203,279
Low	**78,344**	**3,625**	**–**	**81,969**	88,909	877	–	89,786
Medium	**19,205**	**2,072**	**–**	**21,277**	19,758	1,385	–	21,143
High	**2,561**	**5,280**	**–**	**7,841**	3,424	3,428	–	6,852
Very high	**13**	**2,814**	**–**	**2,827**	63	2,242	–	2,305
Loans not graded[2]	**18,614**	**1,614**	**–**	**20,228**	17,792	1,161	–	18,953
Default	**–**	**–**	**2,372**	**2,372**	–	–	1,864	1,864
Total	**329,902**	**18,667**	**2,372**	**350,941**	332,268	10,050	1,864	344,182
Allowance for credit losses	**165**	**398**	**645**	**1,208**	265	321	498	1,084
Carrying value	**$ 329,737**	**$ 18,269**	**$ 1,727**	**$ 349,733**	$ 332,003	$ 9,729	$ 1,366	$ 343,098

(1) Stage 3 includes purchased or originated credit-impaired loans.
(2) Portfolios where the customer account level 'Probability of Default' has not been determined have been included in the 'Loans not graded' category.

Personal loans	As at October 31, 2024				As at October 31, 2023			
Category of PD grades ($ millions)	Stage 1	Stage 2	Stage 3[1]	Total	Stage 1	Stage 2	Stage 3[1]	Total
Very low	**$ 30,865**	**$ –**	**$ –**	**$ 30,865**	$ 29,849	$ 211	$ –	$ 30,060
Low	**20,686**	**12**	**–**	**20,698**	27,594	558	–	28,152
Medium	**13,053**	**38**	**–**	**13,091**	8,725	599	–	9,324
High	**10,535**	**4,843**	**–**	**15,378**	8,369	3,529	–	11,898
Very high	**76**	**2,743**	**–**	**2,819**	125	2,177	–	2,302
Loans not graded[2]	**20,482**	**1,929**	**–**	**22,411**	19,427	1,831	–	21,258
Default	**–**	**–**	**1,117**	**1,117**	–	–	1,176	1,176
Total	**95,697**	**9,565**	**1,117**	**106,379**	94,089	8,905	1,176	104,170
Allowance for credit losses	**544**	**1,154**	**621**	**2,319**	647	1,103	664	2,414
Carrying value	**$ 95,153**	**$ 8,411**	**$ 496**	**$ 104,060**	$ 93,442	$ 7,802	$ 512	$ 101,756

(1) Stage 3 includes purchased or originated credit-impaired loans.
(2) Portfolios where the customer account level 'Probability of Default' has not been determined have been included in the 'Loans not graded' category.

Credit cards	As at October 31, 2024				As at October 31, 2023			
Category of PD grades ($ millions)	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Very low	**$ 2,382**	**$ 3**	**$ –**	**$ 2,385**	$ 1,989	$ 42	$ –	$ 2,031
Low	**2,872**	**25**	**–**	**2,897**	3,329	89	–	3,418
Medium	**4,631**	**55**	**–**	**4,686**	4,262	116	–	4,378
High	**3,069**	**1,880**	**–**	**4,949**	3,239	1,310	–	4,549
Very high	**16**	**1,028**	**–**	**1,044**	38	820	–	858
Loans not graded[1]	**895**	**518**	**–**	**1,413**	1,290	585	–	1,875
Default	**–**	**–**	**–**	**–**	–	–	–	–
Total	**13,865**	**3,509**	**–**	**17,374**	14,147	2,962	–	17,109
Allowance for credit losses	**288**	**872**	**–**	**1,160**	414	823	–	1,237
Carrying value	**$ 13,577**	**$ 2,637**	**$ –**	**$ 16,214**	$ 13,733	$ 2,139	$ –	$ 15,872

(1) Portfolios where the customer account level 'Probability of Default' has not been determined have been included in the 'Loans not graded' category.

Undrawn loan commitments – Retail	As at October 31, 2024				As at October 31, 2023			
Category of PD grades ($ millions)	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Very low	**$ 115,396**	**$ 2**	**$ –**	**$ 115,398**	$ 104,488	$ 3	$ –	$ 104,491
Low	**17,947**	**26**	**–**	**17,973**	20,037	1	–	20,038
Medium	**8,128**	**22**	**–**	**8,150**	8,518	11	–	8,529
High	**3,490**	**505**	**–**	**3,995**	3,814	421	–	4,235
Very high	**10**	**305**	**–**	**315**	68	296	–	364
Loans not graded[1]	**12,634**	**2,749**	**–**	**15,383**	9,522	1,894	–	11,416
Default	**–**	**–**	**–**	**–**	–	–	–	–
Carrying value	**$ 157,605**	**$ 3,609**	**$ –**	**$ 161,214**	$ 146,447	$ 2,626	$ –	$ 149,073

(1) Portfolios where the customer account level 'Probability of Default' has not been determined have been included in the 'Loans not graded' category.

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Total retail loans

Category of PD grades ($ millions)	As at October 31, 2024 Stage 1	Stage 2	Stage 3[1]	Total	As at October 31, 2023 Stage 1	Stage 2	Stage 3[1]	Total
Very low	**$ 359,808**	**$ 3,267**	**$ –**	**$ 363,075**	$ 338,648	$ 1,213	$ –	$ 339,861
Low	**119,849**	**3,688**	**–**	**123,537**	139,869	1,525	–	141,394
Medium	**45,017**	**2,187**	**–**	**47,204**	41,263	2,111	–	43,374
High	**19,655**	**12,508**	**–**	**32,163**	18,846	8,688	–	27,534
Very high	**115**	**6,890**	**–**	**7,005**	294	5,535	–	5,829
Loans not graded[2]	**52,625**	**6,810**	**–**	**59,435**	48,031	5,471	–	53,502
Default	**–**	**–**	**3,489**	**3,489**	–	–	3,040	3,040
Total	**597,069**	**35,350**	**3,489**	**635,908**	586,951	24,543	3,040	614,534
Allowance for credit losses	**997**	**2,424**	**1,266**	**4,687**	1,326	2,247	1,162	4,735
Carrying value	**$ 596,072**	**$ 32,926**	**$ 2,223**	**$ 631,221**	$ 585,625	$ 22,296	$ 1,878	$ 609,799

(1) Stage 3 includes purchased or originated credit-impaired loans.
(2) Portfolios where the customer account level 'Probability of Default' has not been determined have been included in the 'Loans not graded' category.

Business and government loans

Category of PD grades ($ millions)	As at October 31, 2024 Stage 1	Stage 2	Stage 3[1]	Total	As at October 31, 2023 Stage 1	Stage 2	Stage 3[1]	Total
Investment grade	**$ 146,999**	**$ 1,829**	**$ –**	**$ 148,828**	$ 160,148	$ 1,205	$ –	$ 161,353
Non-Investment grade	**124,749**	**8,800**	**–**	**133,549**	114,192	7,705	–	121,897
Watch list	**10**	**4,819**	**–**	**4,829**	28	3,340	–	3,368
Loans not graded[2]	**2,190**	**25**	**–**	**2,215**	2,500	18	–	2,518
Default	**–**	**–**	**3,250**	**3,250**	–	–	2,686	2,686
Total	**273,948**	**15,473**	**3,250**	**292,671**	276,868	12,268	2,686	291,822
Allowance for credit losses	**586**	**475**	**788**	**1,849**	535	383	719	1,637
Carrying value	**$ 273,362**	**$ 14,998**	**$ 2,462**	**$ 290,822**	$ 276,333	$ 11,885	$ 1,967	$ 290,185

(1) Stage 3 includes purchased or originated credit-impaired loans.
(2) Portfolios where the customer account level 'Probability of Default' has not been determined have been included in the 'Loans not graded' category.

Undrawn loan commitments – Business and government

Category of PD grades ($ millions)	As at October 31, 2024 Stage 1	Stage 2	Stage 3[1]	Total	As at October 31, 2023 Stage 1	Stage 2	Stage 3[1]	Total
Investment grade	**$ 243,635**	**$ 1,124**	**$ –**	**$ 244,759**	$ 240,044	$ 1,673	$ –	$ 241,717
Non-investment grade	**59,572**	**2,894**	**–**	**62,466**	62,634	5,288	–	67,922
Watch list	**–**	**1,142**	**–**	**1,142**	1	1,103	–	1,104
Loans not graded[2]	**3,921**	**–**	**–**	**3,921**	5,205	–	–	5,205
Default	**–**	**–**	**32**	**32**	–	–	109	109
Total	**307,128**	**5,160**	**32**	**312,320**	307,884	8,064	109	316,057
Allowance for credit losses	**153**	**33**	**–**	**186**	100	20	29	149
Carrying value	**$ 306,975**	**$ 5,127**	**$ 32**	**$ 312,134**	$ 307,784	$ 8,044	$ 80	$ 315,908

(1) Stage 3 includes purchased or originated credit-impaired loans.
(2) Portfolios where the customer account level 'Probability of Default' has not been determined have been included in the 'Loans not graded' category.

Total non-retail loans

Category of PD grades ($ millions)	As at October 31, 2024 Stage 1	Stage 2	Stage 3[1]	Total	As at October 31, 2023 Stage 1	Stage 2	Stage 3[1]	Total
Investment grade	**$ 390,634**	**$ 2,953**	**$ –**	**$ 393,587**	$ 400,192	$ 2,878	$ –	$ 403,070
Non-investment grade	**184,321**	**11,694**	**–**	**196,015**	176,826	12,993	–	189,819
Watch list	**10**	**5,961**	**–**	**5,971**	29	4,443	–	4,472
Loans not graded[2]	**6,111**	**25**	**–**	**6,136**	7,705	18	–	7,723
Default	**–**	**–**	**3,282**	**3,282**	–	–	2,795	2,795
Total	**581,076**	**20,633**	**3,282**	**604,991**	584,752	20,332	2,795	607,879
Allowance for credit losses	**739**	**508**	**788**	**2,035**	635	403	748	1,786
Carrying value	**$ 580,337**	**$ 20,125**	**$ 2,494**	**$ 602,956**	$ 584,117	$ 19,929	$ 2,047	$ 606,093

(1) Stage 3 includes purchased or originated credit-impaired loans.
(2) Portfolios where the customer account level 'Probability of Default' has not been determined have been included in the 'Loans not graded' category.

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(g) Loans past due but not impaired[1]

A loan is considered past due when a counterparty has not made a payment by the contractual due date. The following table presents the carrying value of loans that are contractually past due but not classified as impaired because they are either less than 90 days past due or fully secured and collection efforts are reasonably expected to result in repayment or restoring it to a current status in accordance with the Bank's policy. In cases where borrowers have opted to participate in payment deferral programs, deferral of payments is not considered past due and such loans are not aged further during the deferral period.

	2024[2]				2023[2]			
As at October 31 ($ millions)	31 – 60 days	61 – 90 days	91 days and greater[3]	Total	31 – 60 days	61 – 90 days	91 days and greater[3]	Total
Residential mortgages	**$ 1,418**	**$ 718**	**$ –**	**$ 2,136**	$ 1,329	$ 617	$ –	$ 1,946
Personal loans	**647**	**343**	**–**	**990**	648	360	–	1,008
Credit cards	**242**	**172**	**398**	**812**	238	157	345	740
Business and government	**192**	**48**	**–**	**240**	159	57	–	216
Total	**$ 2,499**	**$ 1,281**	**$ 398**	**$ 4,178**	$ 2,374	$ 1,191	$ 345	$ 3,910

(1) Loans past due 30 days or less are not presented in this analysis as they are not administratively considered past due.
(2) For loans where payment deferrals were granted, deferred payments are not considered past due and such loans are not aged further during the deferral period. Regular aging of the loans resumes, after the end of the deferral period.
(3) All loans that are over 90 days past due are considered impaired with the exception of credit card receivables which are considered impaired when 180 days past due.

(h) Purchased credit-impaired loans

Certain financial assets including loans are credit-impaired on initial recognition either through acquisition or origination. The following table provides details of such assets:

As at October 31 ($ millions)	2024	2023
Unpaid principal balance[1]	**$ 243**	$ 307
Credit-related fair value adjustments	**(29)**	(87)
Carrying value	**214**	220
Stage 3 allowance	**(1)**	(1)
Carrying value net of related allowance	**$ 213**	$ 219

(1) Represents principal amount owed net of write-offs.

15 Derecognition of Financial Assets

Securitization of residential mortgage loans

The Bank securitizes fully insured residential mortgage loans, Bank originated and others, through the creation of mortgage-backed securities (MBS) under the National Housing Act (NHA) MBS program, sponsored by Canada Mortgage and Housing Corporation (CMHC). MBS created under the program are primarily sold to Canada Housing Trust (the Trust), a government sponsored entity, under the Canada Mortgage Bond (CMB) program, and/or third-party investors. The Trust issues securities to third-party investors. The CMHC also previously purchased insured mortgage pools from the Bank under the Insured Mortgage Purchase Program (IMPP).

Sale of mortgages under the above programs does not meet the derecognition requirements, where the Bank retains thepre-payment and interest rate risk associated with the mortgages, which represent substantially all the risks and rewards associated with the transferred assets.

The transferred mortgages continue to be recognized on the Consolidated Statement of Financial Position as residential mortgage loans. Cash proceeds from the transfer are treated as secured borrowings and included in Deposits – Business and government on the Consolidated Statement of Financial Position.

The following table provides the carrying amount of transferred assets that do not qualify for derecognition and the associated liabilities:

As at October 31 ($ millions)	2024[1]	2023[1]
Assets		
Carrying value of residential mortgage loans	**$ 11,190**	$ 13,508
Other related assets[2]	**7,202**	8,600
Liabilities		
Carrying value of associated liabilities	**17,923**	20,222

(1) The fair value of the transferred assets is $18,092 (2023 – $20,264) and the fair value of the associated liabilities is $17,692 (2023 – $19,265), for a net position of $400 (2023 – $999).
(2) These include cash held in trust and trust permitted investment assets, including repurchase style transactions of mortgage-backed securities, acquired as part of principal reinvestment account that the Bank is required to maintain in order to participate in the programs.

Securitization of credit card receivables

The Bank securitizes a portion of its credit card receivables through a consolidated structured entity. These receivables continue to be recognized on the Consolidated Statement of Financial Position as credit card loans. For further details, refer to Note 16.

Securities sold under repurchase agreements and securities lent

The Bank enters into transactions, such as repurchase agreements and securities lending agreements, where the Bank transfers assets under agreements to repurchase them on a future date and retains all the substantial risks and rewards associated with the assets. The transferred assets remain on the Consolidated Statement of Financial Position.

The following table provides the carrying amount of the transferred assets and the associated liabilities:

As at October 31 ($ millions)	2024[1]	2023[1]
Carrying value of assets associated with:		
Repurchase agreements[2]	**$ 174,334**	$ 140,296
Securities lending agreements	**58,477**	56,174
Total	**232,811**	196,470
Carrying value of associated liabilities[3]	**$ 190,449**	$ 160,007

(1) The fair value of transferred assets is $232,811 (2023 – $196,470) and the fair value of the associated liabilities is $190,449 (2023 – $160,007), for a net position of $42,362 (2023 – $36,463).
(2) Does not include over-collateralization of assets pledged.
(3) Liabilities for securities lending arrangements only include amounts related to cash collateral received. For securities received as collateral, refer to Note 36(a)(iv) – Financial Instruments – Risk Management.

16 Structured Entities

(a) Consolidated structured entities

U.S. multi-seller conduit
The Bank-sponsored U.S. multi-seller conduit purchases high-quality financial assets from independent third parties (the sellers) funded by the issuance of highly rated asset-backed commercial paper. The sellers continue to service the financial assets and provide credit enhancements through overcollateralization protection and cash reserves.

Each asset purchased by the conduit has a deal-specific liquidity facility provided by the Bank in the form of a Liquidity Asset Purchase Agreement (LAPA). The primary purpose of the LAPA is to provide an alternative source of financing in the event the conduit is unable to access the asset-backed commercial paper market. The administration agent can require the Bank in its capacity as liquidity provider to purchase an interest in the related assets owned by the conduit. The Bank is not obligated to perform under the LAPA agreements in the event the conduit itself is insolvent.

The Bank's liquidity agreements with the conduit call for the Bank to fund full par value of the assets, including defaulted assets, if any, of the conduit. This facility is available to absorb the losses on defaulted assets, if any, in excess of losses absorbed by deal-specific seller credit enhancements. Further, the Bank holds the subordinated note issued by the conduit.

The Bank's exposure from the U.S. conduit through the LAPA, including the obligation to purchase defaulted assets and investment in the conduit's subordinated note, give the Bank the obligation to absorb losses that could potentially be significant to the conduit, which in conjunction with power to direct the conduit's activities, result in the Bank consolidating the U.S. multi-seller conduit.

The conduit's assets of $11 billion (2023 – $13 billion) are primarily included in Business and government loans on the Bank's Consolidated Statement of Financial Position.

There are contractual restrictions on the ability of the Bank's consolidated U.S. multi-seller conduit to transfer funds to the Bank. The Bank is restricted from accessing the conduit's assets under the relevant arrangements. The Bank has no rights to the assets owned by the conduit. In the normal course of business, the assets of the conduit can only be used to settle the obligations of the conduit.

Bank funding vehicles and capital vehicles
The Bank uses funding and capital vehicles to facilitate cost-efficient financing of its own operations, including the issuance of covered bonds and notes. Activities of funding structured entities are generally limited to holding an interest in a pool of assets or receivables generated by the Bank. Capital vehicles include Scotiabank LRCN Trust which was established in connection with the Bank's issuance of qualifying regulatory capital instruments. These structured entities are consolidated due to the Bank's decision-making power and ability to use that power to affect the returns.

Covered bonds
The Bank has a registered covered bond program through which it issues debt that is guaranteed by Scotiabank Covered Bond Guarantor Limited Partnership (the "LP"). Under this program, the LP purchases uninsured residential mortgages from the Bank, which it acquires with funding provided by the Bank.

As at October 31, 2024, $47.0 billion (2023 – $50.0 billion) covered bonds were outstanding and included in Deposits – Business and government on the Consolidated Statement of Financial Position. The Bank's outstanding covered bonds are denominated in U.S. dollars, Australian dollars, British pounds, Swiss francs, Euros, Canadian Dollars, and Norwegian Kroner. As at October 31, 2024, assets pledged in relation to these covered bonds were uninsured residential mortgages denominated in Canadian dollars of $48.0 billion (2023 – $51.5 billion). These figures exclude activities in connection with covered bonds held by the Bank and that are eliminated upon consolidation.

Credit card receivables securitization trust
The Bank securitizes a portion of its Canadian credit card receivables through a Bank-sponsored structured entity. This entity issues senior and subordinated notes to third-party investors and the proceeds of such issuance are used to purchase co-ownership interests in credit card receivables originated by the Bank. Recourse of the note holders is limited to the purchased interest.

The Bank is responsible for servicing the transferred credit card receivables as well as performing administrative functions for this entity. As at October 31, 2024, U.S.$2.4 billion ($3.3 billion Canadian dollar equivalent) (2023 – U.S.$2.0 billion, $2.8 billion Canadian dollar equivalent) Class A notes; and U.S.$209 million ($291 million Canadian dollar equivalent) (2023 – U.S.$174 million, $241 million Canadian dollar equivalent) subordinated Class B and Class C notes were outstanding and included in Deposits – Business and government on the Consolidated Statement of Financial Position. As at October 31, 2024 assets pledged in relation to these notes were credit card receivables, denominated in Canadian dollars, of $3.8 billion (2023 – $3.2 billion).

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Scotiabank LRCN Trust
The Bank sponsors the Scotiabank LRCN Trust established in connection with the issuance of limited recourse capital notes. As at October 31, 2024, $5.5 billion (2023 – $4.5 billion) of externally-issued limited recourse capital notes were outstanding and included in Preferred shares and other equity instruments on the Consolidated Statement of Financial Position. Refer to Note 25(b) – Preferred shares and other equity instruments for further information.

Other
Assets of other consolidated structured entities are comprised of securities, deposits with banks and other assets to meet the Bank's and customer needs.

(b) Unconsolidated structured entities

The following table provides information about other structured entities which the Bank does not control and therefore does not consolidate.

	As at October 31, 2024			
($ millions)	Canadian multi-seller conduits that the Bank administers	Structured finance entities	Other funding vehicles	Total
Total assets on structured entity's financial statements	**$ 6,299**	**$ 13,695**	**$ 1,870**	**$ 21,864**
Assets recognized on the Bank's financial statements:				
Trading assets	**8**	**306**	**–**	**314**
Investment securities	**–**	**842**	**–**	**842**
Loans[1]	**–**	**4,757**	**–**	**4,757**
Other	**–**	**35**	**93**	**128**
	8	**5,940**	**93**	**6,041**
Liabilities recognized on the Bank's financial statements:				
Deposits – Business and government	**–**	**–**	**1,842**	**1,842**
Other	**–**	**–**	**28**	**28**
	–	**–**	**1,870**	**1,870**
Bank's maximum exposure to loss	**$ 6,307**	**$ 11,469**	**$ 76**	**$ 17,852**

	As at October 31, 2023			
($ millions)	Canadian multi-seller conduits that the Bank administers	Structured finance entities	Other funding vehicles	Total
Total assets (on structured entity's financial statements)	$ 5,291	$ 3,683	$ 1,872	$ 10,846
Assets recognized on the Bank's financial statements:				
Trading assets	8	18	–	26
Investment securities	–	804	10	814
Loans[1]	–	1,182	61	1,243
Other	–	2	9	11
	8	2,006	80	2,094
Liabilities recognized on the Bank's financial statements:				
Deposits – Business and government	–	–	1,834	1,834
Derivative financial instruments	–	–	38	38
	–	–	1,872	1,872
Bank's maximum exposure to loss	$ 5,299	$ 3,296	$ 71	$ 8,666

(1) Loan balances are presented net of allowance for credit losses.

The Bank's maximum exposure to loss represents the notional amounts of guarantees, liquidity facilities, and other credit support relationships with the structured entities, the credit risk amount for certain derivative contracts with the entities and the amount invested where the Bank holds an ownership interest in the structured entities. Of the aggregate amount of maximum exposure to loss as at October 31, 2024, the Bank has recorded $6.1 billion (2023 – $2.1 billion), primarily loans issued to structured entities, on the Consolidated Statement of Financial Position.

Canadian multi-seller conduits that the Bank administers
The Bank sponsors two Canadian multi-seller conduits. The conduits purchase assets from independent third parties (the sellers) funded by the issuance of asset-backed commercial paper. The sellers continue to service the assets and provide credit enhancements through overcollateralization protection and cash reserves. The Bank has no rights to these assets as they are available to support the obligations of the respective programs but manages for a fee the commercial paper selling programs. To ensure timely repayment of the commercial paper, each asset pool financed by the multi-seller conduits has a deal-specific LAPA with the Bank. Pursuant to the terms of the LAPA, the Bank as the liquidity provider is obligated to purchase non-defaulted assets, transferred by the conduit at the conduit's original cost as reflected in the table above. In most cases, the liquidity agreements do not require the Bank to purchase defaulted assets. Additionally, the Bank has not provided any program-wide credit enhancement to these conduits. The Bank provides additional liquidity facilities to these multi-seller conduits to a maximum amount of $1.4 billion (2023 – $1.8 billion) based on future asset purchases by these conduits.

Although the Bank has power over the relevant activities of the conduits, it has limited exposure to variability in returns, which results in the Bank not consolidating the two Canadian conduits.

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Structured finance entities
The Bank has interests in structured entities used to assist corporate clients in accessing cost-efficient financing through their securitization structures. The Bank may act as an administrator, an investor or a combination of both in these types of structures.

The Bank provides senior credit facilities to unaffiliated structured entities that are established by third parties to acquire and/or originate loans for the purposes of issuing collateralized loan obligations (CLOs). These credit facilities benefit from subordinated capital provided by either the collateral manager or third-party investors via subordinated financing, capital injection or asset contribution. Subordinated capital represents the first loss tranche which absorbs losses prior to the Bank's senior exposure. The Bank's broker-dealer affiliate acts as the arranger and placement agent for the CLOs. Proceeds from the sale of the CLOs are used to repay the senior credit facilities. The Bank does not consolidate these entities as it does not have decision making power over their relevant activities, which include the acquisition and/or origination of loans and overall management of the underlying portfolio. As at October 31, 2024, the Bank has funded $4,243 million of the credit facilities provided to these structured entities (October 31, 2023 – $220 million).

Other funding vehicles
These entities are designed to pass the Bank's credit risk to the holders of the securities. Therefore, the Bank does not have exposure or rights to variable returns from these unconsolidated entities.

The Bank uses a funding vehicle to transfer credit exposure on certain loan assets and purchases credit protection against eligible credit events from this vehicle. The vehicle collateralizes its obligation using cash proceeds received through the issuance of guarantee-linked notes. Loan assets are not sold or assigned to the vehicle and remain on the Bank's Consolidated Statement of Financial Position. The total principal balance of guarantee-linked notes issued by this vehicle and outstanding was $1,002 million as at October 31, 2024 (October 31, 2023 – $998 million). These are included in Deposits – Business and government on the Bank's Consolidated Statement of Financial Position.

Although the Bank has power over the relevant activities of these vehicles, it has limited exposure to variability in returns, which results in the Bank not consolidating these vehicles.

(c) Other unconsolidated Bank-sponsored entities

The Bank sponsors unconsolidated structured entities including mutual funds, in which it has insignificant or no interest at the reporting date. The Bank is a sponsor when it is significantly involved in the design and formation at inception of the structured entities, and the Bank's name is used by the structured entities to create an awareness of the instruments being backed by the Bank's reputation and obligation. The Bank also considers other factors, such as its continuing involvement and obligations to determine if, in substance, the Bank is a sponsor.

As at October 31, 2024, the Bank earned $2,547 million (2023 – $2,369 million) in revenue from unconsolidated Bank-sponsored mutual fund entities.

17 Property and Equipment

($ millions)	Land & Building	Equipment	Technology Assets	Leasehold Improvements	Right-of-use Assets	Total
Cost						
Balance as at October 31, 2022	$ 1,677	$ 2,362	$ 2,205	$ 1,795	$ 4,197	$ 12,236
Additions	97	161	130	129	143	660
Disposals/Retirements	(64)	(781)	(1,657)	(118)	(118)	(2,738)
Foreign currency adjustments and other	103	67	27	48	114	359
Balance as at October 31, 2023	**$ 1,813**	**$ 1,809**	**$ 705**	**$ 1,854**	**$ 4,336**	**$ 10,517**
Additions	**120**	**232**	**73**	**134**	**125**	**684**
Disposals/Retirements	**(149)**	**(183)**	**(155)**	**(67)**	**(77)**	**(631)**
Foreign currency adjustments and other	**(48)**	**(78)**	**10**	**(44)**	**(43)**	**(203)**
Balance as at October 31, 2024	**$ 1,736**	**$ 1,780**	**$ 633**	**$ 1,877**	**$ 4,341**	**$ 10,367**
Accumulated depreciation						
Balance as at October 31, 2022	$ 637	$ 1,777	$ 1,933	$ 1,117	$ 1,072	$ 6,536
Depreciation	44	104	161	113	379	801
Disposals/Retirements	(4)	(748)	(1,655)	(92)	(106)	(2,605)
Foreign currency adjustments and other	9	135	(58)	14	43	143
Balance as at October 31, 2023	**$ 686**	**$ 1,268**	**$ 381**	**$ 1,152**	**$ 1,388**	**$ 4,875**
Depreciation	**49**	**94**	**140**	**116**	**331**	**730**
Disposals/Retirements	**(50)**	**(75)**	**(145)**	**(40)**	**(62)**	**(372)**
Foreign currency adjustments and other	**(22)**	**(26)**	**(14)**	**(40)**	**(16)**	**(118)**
Balance as at October 31, 2024	**$ 663**	**$ 1,261**	**$ 362**	**$ 1,188**	**$ 1,641**	**$ 5,115**
Net book value						
Balance as at October 31, 2023	$ 1,127	$ 541	$ 324	$ 702	$ 2,948	$ 5,642[1]
Balance as at October 31, 2024	**$ 1,073**	**$ 519**	**$ 271**	**$ 689**	**$ 2,700**	**$ 5,252[1]**

(1) Includes $36 (2023 – $38) of investment property.

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18 Investments in Associates

The Bank had significant investments in the following associates:

As at October 31 ($ millions)	Country of incorporation	Nature of business	2024 Ownership percentage	2024 Date of financial statements[1]	2024 Carrying value	2023 Carrying value
Bank of Xi'an Co. Ltd.[2][3]	**China**	**Banking**	**18.11%**	**September 30, 2024**	**$ 658**	$ 895
Maduro & Curiel's Bank N.V.[4]	**Curacao**	**Banking**	**48.10%**	**September 30, 2024**	**527**	489

(1) Represents the date of the most recent financial statements. Where available, financial statements prepared by the associates' management or other published information is used to estimate the change in the Bank's interest since the most recent financial statements.
(2) Based on the quoted price on the Shanghai Stock Exchange, the Bank's investment in Bank of Xi'an Co. Ltd was $570 as at October 31, 2024 (October 31, 2023 – $529).
(3) The Bank has significant influence over the Bank of Xi'an Co. Ltd. through a combination of its ownership interest and board representation.
(4) The local regulator requires financial institutions to set aside reserves for general banking risks. These reserves are not required under IFRS and represent undistributed retained earnings related to a foreign associated corporation, which are subject to local regulatory restrictions. As of October 31, 2024 these reserves amounted to $74 (2023 – $71).

Impairment testing of Bank of Xi'an Co. Ltd.

As at October 31, 2024, the market value of the Bank's investment in Bank of Xi'an Co. Ltd. based on the quoted price on the Shanghai Stock Exchange continues to be below its carrying value. The Bank has been performing quarterly impairment testing on this investment due to the prolonged period in which its market value has remained below the carrying amount. The impairment test involves comparing the carrying value of the investment to its recoverable amount based on value in use (VIU). In estimating VIU, the Bank uses a discounted cash flows valuation model which incorporates key assumptions, including a 5-year forecast of after-tax cash flows for the underlying entity, the estimated terminal growth rate beyond 5 years, and the applicable discount rate. As at October 31, 2024, the estimate of VIU was determined using a terminal growth rate of 2% (2023 – 3%) and an after-tax discount rate of 12% (2023 – 12%).

The VIU methodology resulted in an impairment charge of $343 million ($309 million after-tax) recorded in non-interest expenses – other in the Other operating segment, driven primarily by the continued weakening of the economic outlook in China (2023 – $185 million or $159 million after-tax).

Summarized financial information

Summarized financial information of the Bank's significant associates are as follows.

	For the twelve months ended[1]		As at October 31, 2024	
($ millions)	Revenue	Net income	Total assets	Total liabilities
Bank of Xi'an Co. Ltd.	**$ 1,457**	**$ 471**	**$ 87,974**	**$ 81,577**
Maduro & Curiel's Bank N.V.	**457**	**170**	**8,057**	**6,959**

	For the twelve months ended[1]		As at October 31, 2023	
($ millions)	Revenue	Net income	Total assets	Total liabilities
Canadian Tire's Financial Services business (CTFS)[2]	$ 1,347	$ 368	$ n/a	$ n/a
Bank of Xi'an Co. Ltd.	1,277	487	80,803	75,027
Maduro & Curiel's Bank N.V.	416	165	7,636	6,616

(1) Based on the most recent available financial statements.
(2) On October 31, 2023, the Bank closed the sale of its 20% interest in CTFS to Canadian Tire Corporation. Refer to Note 37 – Acquisitions and Divestitures.

19 Goodwill and Other Intangible Assets

Goodwill

The changes in the carrying amounts of goodwill by groups of cash-generating units (CGU) are as follows:

($ millions)	Canadian Banking	Global Wealth Management	Global Banking and Markets	Latin America	Caribbean and Central America	Total
Balance as at October 31, 2022	$ 1,690	$ 3,599	$ 243	$ 2,401	$ 941	$ 8,874
Acquisitions	–	–	–	–	–	–
Dispositions	–	–	–	–	–	–
Foreign currency adjustments and other	–	11	3	229	64	307
Balance as at October 31, 2023	1,690	3,610	246	2,630	1,005	9,181
Acquisitions	**–**	**–**	**–**	**–**	**–**	**–**
Dispositions[1]	**–**	**–**	**–**	**(92)**	**–**	**(92)**
Foreign currency adjustments and other	**–**	**4**	**–**	**(138)**	**6**	**(128)**
Balance as at October 31, 2024	**$ 1,690**	**$ 3,614**	**$ 246**	**$ 2,400**	**$ 1,011**	**$ 8,961**

(1) In the current year, the Bank recognized a net impairment loss of $136 million pre-tax in relation to its agreement to sell CrediScotia Financiera, a subsidiary in Peru within the Latin America CGU, of which $92 million related to goodwill. Refer to Note 37 – Acquisitions and Divestitures for details.

Impairment testing of goodwill

Goodwill acquired in business combinations is allocated to each of the Bank's groups of CGUs that are expected to benefit from the synergies of the particular acquisition. Goodwill is assessed for impairment annually or more frequently if events or circumstances occur that may indicate impairment.

The Bank determines the carrying values of its CGUs using a regulatory capital approach based on credit, market, operational risks and leverage, consistent with the Bank's capital attribution for business line performance measurement. Corporate capital that is not directly attributable is allocated to each CGU on a proportional basis, based on the relative attributed capital prior to the corporate capital allocation. The resulting carrying amount determined for the CGU is then compared to its respective recoverable amount to identify any impairment.

Annual impairment testing for goodwill was performed as at July 31, 2024 and 2023, and no impairment was determined to exist. As of October 31, 2024 and 2023, there were no significant changes to this assessment.

Fair value less costs of disposal

For all CGUs other than Latin America, the recoverable amount was determined using the fair value less costs of disposal (FVLCD) method. In arriving at FVLCD, the Bank estimates the fair value of the CGU using price earnings (P/E) multiples applied to normalized net income for the last four quarters as of the test date, applies a control premium based on a weighted average of acquisition premiums paid globally in the banking industry over the past five years for comparable companies, and deducts the estimated costs of disposal. The fair value measurement is categorized as Level 3 due to significant inputs being unobservable. For the 2024 annual impairment test, P/E multiples ranging from 11 to 11.5 times (2023 – 9 to 10 times) were used.

The Bank has performed sensitivity analysis on the key assumptions used in estimating FVLCD. The estimate of reasonably possible changes to the key assumptions are based on available evidence in respect of each input, such as risks associated with the normalized net income projections, and range of P/E multiples observed externally. Reasonable negative changes in the net income outlook (decrease of 5%) or P/E multiples (decrease of 1x), each in isolation, holding other factors constant, would not result in impairment for all CGUs using the FVLCD method.

Value in use

The Latin America CGU's recoverable amount was determined using the value in use (VIU) method, consistent with the prior year. In estimating VIU, the Bank uses a discounted cash flow valuation model based on a 5-year forecast of after-tax cash flows, the estimated terminal growth rate beyond 5 years, and the applicable discount rate. The 5-year cash flow forecast is based on management approved budgets and plans which consider market trends, macroeconomic conditions, forecasted earnings and the business strategy for the CGU. The terminal growth rate is based on long-term growth expectations in Latin America, and the discount rate is based on the cost of capital of comparable companies. For the 2024 annual impairment test, a terminal growth rate of 3% (2023 – 3%) and a discount rate of 12% (2023 – 13%) was used.

The Bank has performed sensitivity analysis on the key assumptions used in estimating the Latin America CGU's VIU. The estimate of reasonably possible changes to the key assumptions is based on available evidence in respect of each input such as historical performance against forecasts, risks associated with the underlying cash flow projections, and range of discount rates observed externally. Reasonable negative changes in any one key assumption, holding other factors constant, would not result in impairment for the Latin America CGU.

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Intangible assets

Intangible assets consist of assets with indefinite and finite useful lives. Indefinite life intangible assets consist substantially of fund management contracts. The fund management contracts are for the management of open-ended funds. Finite life intangible assets include assets such as computer software, customer relationships and core deposit intangibles.

	Finite life		Indefinite life		
($ millions)	Computer software	Other intangibles	Fund management contracts[1]	Other intangibles	Total
Cost					
Balance as at October 31, 2022	$ 6,687	$ 1,875	$ 4,415	$ 166	$ 13,143
Acquisitions	–	–	–	–	–
Additions	1,125	–	–	–	1,125
Impairment	(184)	(110)	–	(3)	(297)
Disposals/Retirements	(2,141)	(2)	–	–	(2,143)
Foreign currency adjustments and other	152	52	–	–	204
Balance as at October 31, 2023	$ 5,639	$ 1,815	$ 4,415	$ 163	$ 12,032
Acquisitions	**–**	**–**	**–**	**–**	**–**
Additions	**840**	**1**	**–**	**–**	**841**
Impairment	**(188)**	**–**	**–**	**–**	**(188)**
Disposals/Retirements	**(538)**	**–**	**–**	**–**	**(538)**
Foreign currency adjustments and other	**24**	**(22)**	**–**	**–**	**2**
Balance as at October 31, 2024	**$ 5,777**	**$ 1,794**	**$ 4,415**	**$ 163**	**$ 12,149**
Accumulated amortization					
Balance as at October 31, 2022	$ 3,809	$ 1,375	$ –	$ –	$ 5,184
Amortization	862	157	–	–	1,019
Impairment	(134)	(34)	–	–	(168)
Disposals/Retirements	(1,996)	(2)	–	–	(1,998)
Foreign currency adjustments and other	25	(42)	–	–	(17)
Balance as at October 31, 2023	$ 2,566	$ 1,454	$ –	$ –	$ 4,020
Amortization	**958**	**72**	**–**	**–**	**1,030**
Impairment	**(91)**	**–**	**–**	**–**	**(91)**
Disposals/Retirements	**(614)**	**–**	**–**	**–**	**(614)**
Foreign currency adjustments and other	**(75)**	**(13)**	**–**	**–**	**(88)**
Balance as at October 31, 2024	**$ 2,744**	**$ 1,513**	**$ –**	**$ –**	**$ 4,257**
Net book value					
As at October 31, 2023	$ 3,073[2]	$ 361	$ 4,415	$ 163	$ 8,012
As at October 31, 2024	**$ 3,033[2]**	**$ 281**	**$ 4,415**	**$ 163**	**$ 7,892**

(1) Fund management contracts are attributable to the previously acquired Dynamic Funds business (formerly DundeeWealth Inc.), MD Financial Management Inc., and Jarislowsky Fraser Limited.
(2) Computer software comprises purchased software of $194 (2023 – $429), internally generated software of $1,939 (2023 – $1,711), and in process software not subject to amortization of $900 (2023 – $933).

Impairment testing of intangible assets

Indefinite life intangible assets are not amortized and are assessed for impairment annually or more frequently if events or changes in circumstances indicate that the asset may be impaired. Impairment is assessed by comparing the carrying value of the indefinite life intangible asset to its recoverable amount. The recoverable amount of fund management contracts is based on a value in use approach using the multi-period excess earnings method. This approach uses cash flow projections from management-approved financial budgets, which include key assumptions related to market appreciation, net sales of funds, and operating margins, taking into consideration past experience and market expectations. The forecast cash flows cover a 5-year period, with a terminal growth rate of 4.5% (2023 – 4.5%) applied thereafter. These cash flows have been discounted at 10% (2023 – 10%). Fund management contracts were assessed for annual impairment using data as at July 31, 2024 and 2023, and no impairment was determined to exist. As of October 31, 2024 and 2023, there were no significant changes to this assessment. In addition, reasonable negative changes in any one key assumption, holding other factors constant, would not result in impairment.

Finite life intangible assets are only assessed for impairment if events or circumstances indicate that the asset may be impaired. When required, impairment is assessed by comparing the carrying value of the finite life intangible asset to its recoverable amount, which is generally determined using a value in use approach. In fiscal 2024, computer software with a net book value of $97 million was assessed as impaired. In fiscal 2023, finite life intangible assets with a net book value of $126 million were assessed as impaired, of which $76 million related to the full write-off of a contract-based intangible asset in Peru and $50 million related to computer software.

20 Other Assets

As at October 31 ($ millions)	2024[1]	2023[1]
Accrued interest	**$ 5,352**	$ 4,907
Accounts receivable and prepaids	**2,118**	2,456
Current tax assets	**2,374**	2,743
Margin deposits on derivatives	**9,976**	12,254
Segregated fund assets	**1,231**	1,468
Pension assets (Note 29)	**684**	936
Receivable from brokers, dealers and clients	**3,244**	4,142
Other	**5,322**	6,278
Total	**$ 30,301**	$ 35,184

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.

21 Deposits

	2024					2023
	Payable on demand[1]					
As at October 31 ($ millions)	Interest-bearing	Non-interest-bearing	Payable after notice[2]	Payable on a fixed date[3]	Total	
Personal	**$ 5,562**	**$ 10,134**	**$ 144,332**	**$ 138,793**	**$ 298,821**	$ 288,617
Business and government	**181,060**	**31,454**	**55,688**	**331,912**	**600,114**	612,267
Financial institutions	**10,201**	**809**	**2,665**	**31,239**	**44,914**	51,449
Total	**$ 196,823**	**$ 42,397**	**$ 202,685[4]**	**$ 501,944**	**$ 943,849**	$ 952,333
Recorded in:						
Canada	**$ 143,254**	**$ 22,768**	**$ 166,410**	**$ 354,385**	**$ 686,817**	$ 679,196
United States	**43,176**	**32**	**1,545**	**45,689**	**90,442**	96,807
United Kingdom	**–**	**–**	**227**	**26,864**	**27,091**	21,562
Mexico	**225**	**6,887**	**11,835**	**17,804**	**36,751**	41,424
Peru	**5,156**	**68**	**5,793**	**6,693**	**17,710**	15,860
Chile	**1,191**	**4,846**	**143**	**17,052**	**23,232**	23,724
Colombia	**31**	**494**	**3,414**	**4,163**	**8,102**	9,580
Other International	**3,790**	**7,302**	**13,318**	**29,294**	**53,704**	64,180
Total[5]	**$ 196,823**	**$ 42,397**	**$ 202,685**	**$ 501,944**	**$ 943,849**	$ 952,333

(1) Deposits payable on demand include all deposits for which we do not have the right to notice of withdrawal, generally chequing accounts.
(2) Deposits payable after notice include all deposits for which we require notice of withdrawal, generally savings accounts.
(3) All deposits that mature on a specified date, generally term deposits, guaranteed investments certificates and similar instruments.
(4) Includes $124 (2023 – $123) of non-interest bearing deposits.
(5) Deposits denominated in U.S. dollars amount to $295,316 (2023 – $320,088), deposits denominated in Chilean pesos amount to $19,271 (2023 – $20,200), deposits denominated in Mexican pesos amount to $34,416 (2023 – $38,127) and deposits denominated in other foreign currencies amount to $109,683 (2023 – $116,926).

The following table presents the maturity schedule for term deposits in Canada greater than $100,000[1].

($ millions)	Within three months	Three to six months	Six to twelve months	One to five years	Over five years	Total
As at October 31, 2024	**$ 64,521**	**$ 37,062**	**$ 59,273**	**$ 115,757**	**$ 18,820**	**$ 295,433**
As at October 31, 2023	$ 66,726	$ 39,525	$ 62,675	$ 130,384	$ 19,021	$ 318,331

(1) The majority of foreign term deposits are in excess of $100,000.

22 Subordinated Debentures

These debentures are direct, unsecured obligations of the Bank and are subordinate to the claims of the Bank's depositors and other creditors. The Bank, where appropriate, enters into interest rate and cross-currency swaps to hedge the related risks.

As at October 31 ($ millions)			2024	2023
Maturity date	Interest rate (%)	Terms[1]	Carrying value[2]	Carrying value[2]
June 2025	8.90	Redeemable at any time.	**$ 251**	$ 252
December 2025[3]	4.50	U.S.$1,250 million. Interest will be payable semi-annually in arrears on June 16 and December 16 of each year, until maturity in December 2025.	**1,740**	1,714
January 2029[3]	3.89	$1,750 million. On January 18, 2024, the Bank redeemed these notes at 100% of their principal amount plus accrued and unpaid interest.	**–**	1,752
July 2029[3]	2.836	$1,500 million. On July 3, 2024, the Bank redeemed these notes at 100% of their principal amount plus accrued and unpaid interest.	**–**	1,339
May 2037[3]	4.588	U.S.$1,250 million. Redeemable between April 12, 2027, and May 4, 2032. On May 4, 2032, interest will reset at the then prevailing 5-year U.S. treasury rate plus 2.050%.	**1,704**	1,676
May 2032[3]	3.934	Redeemable on or after May 3, 2027. After May 3, 2027, interest will be payable quarterly at the then prevailing three-month bankers' acceptance rate plus 1.52%.	**1,713**	1,587
December 2032[3]	1.800	JPY 33,000 million. Redeemable on December 20, 2027. After December 20, 2027, interest will be payable semi-annually at the reference Japanese Government Bond rate plus 1.681% on the reset date.	**301**	301
August 2033[3]	5.679	Redeemable on or after August 2, 2028. After August 2, 2028, interest will be payable at an annual rate equal to Daily Compounded CORRA plus 2.100%.	**1,016**	962
December 2033[3]	1.830	JPY 12,000 million. Redeemable on December 1, 2028. After December 1, 2028, interest rate on the debentures will be reset to the prevailing yield of Japanese Government Bond rate plus 1.477% on the reset date.	**110**	110
August 2034[3]	4.959	Redeemable on or after August 1, 2029. After August 1, 2029, interest will be payable at Daily Compounded CORRA plus 1.55%.	**998**	–
			$ 7,833	$ 9,693

(1) In accordance with the provisions of the Capital Adequacy Guideline of the Superintendent, all redemptions are subject to regulatory approval and subject to the terms in the relevant prospectus.
(2) The carrying value of subordinated debentures may differ from par value due to the impact of fair value hedges used for managing interest rate risk and subordinated debentures held for market-making purposes.
(3) These debentures contain non-viability contingent capital (NVCC) provisions. Under such NVCC provisions, outstanding debentures are convertible into a variable number of common shares if OSFI announces that the Bank has ceased, or is about to cease, to be viable, or if a federal or provincial government in Canada publicly announces that the Bank has accepted or agreed to accept a capital injection, or equivalent support, from the federal government or any provincial government or political subdivision or agent thereof without which the Bank would have been determined by OSFI to be non-viable. If such a conversion were to occur, the debentures would be converted into common shares pursuant to an automatic conversion formula defined as 150% of the par value plus accrued and unpaid interest divided by the conversion price and, where applicable, subject to translation at foreign exchange rates in effect at the time of conversion. The conversion price is based on the greater of: (i) a floor price of $5.00 (subject to adjustments in certain events as set out in the respective prospectus supplements), and (ii) the current market price of the Bank's common shares at the time of the trigger event (10-day weighted average).

23 Other Liabilities

As at October 31 ($ millions)	2024[1]	2023[1]
Accrued interest	**$ 7,840**	$ 7,686
Lease liabilities[2]	**2,982**	3,202
Accounts payable and accrued expenses	**8,133**	8,343
Current tax liabilities	**1,070**	728
Deferred tax liabilities (Note 28)	**1,397**	1,446
Gold and silver certificates and bullion	**578**	439
Margin and collateral accounts	**8,186**	8,531
Segregated fund liabilities	**1,231**	1,467
Payables to brokers, dealers and clients	**798**	1,565
Provisions (Note 24)	**411**	573
Allowance for credit losses on off-balance sheet exposures (Note 14)	**186**	149
Pension liabilities (Note 29)	**523**	521
Other liabilities of subsidiaries and structured entities	**22,104**	26,836
Other	**7,589**	8,393
Total	**$ 63,028**	$ 69,879

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) Represents discounted value of lease liabilities.

The table below sets out a maturity analysis of undiscounted lease liabilities showing the lease payments to be made after the reporting date:

As at October 31 ($ millions)	2024	2023
Within 1 year	**$ 410**	$ 428
1 to 2 years	**404**	410
2 to 3 years	**401**	405
3 to 4 years	**381**	398
4 to 5 years	**358**	371
After 5 years	**1,677**	1,852
Total	**$ 3,631**	$ 3,864

24 Provisions

($ millions)	
As at November 1, 2022	$ 287
Provisions made during the year	470
Provisions utilized / released during the year	(184)
Balance as at October 31, 2023	$ 573
Provisions made during the year	**203**
Provisions utilized / released during the year	**(365)**
Balance as at October 31, 2024	**$ 411**

Legal

In the ordinary course of business, the Bank and its subsidiaries are and have been subject to a variety of pending and threatened legal proceedings, including civil claims and lawsuits, regulatory examinations, investigations, audits, and requests for information by various governmental regulatory agencies and law enforcement authorities in various jurisdictions. Some of these matters may involve novel legal theories and interpretations and may be advanced under criminal as well as civil statutes, and some proceedings could result in the imposition of civil, regulatory enforcement or criminal penalties. The Bank reviews the status of all proceedings on an ongoing basis and will exercise judgment in resolving them in such manner as the Bank believes to be in its best interest. In view of the inherent difficulty of predicting the outcome of such matters, the Bank cannot state what the eventual outcome of such matters will be. However, based on current knowledge, management does not believe that liabilities, if any, arising from pending litigation or regulatory proceedings will have a material adverse effect on the Consolidated Statement of Financial Position or results of operations of the Bank.

Legal provisions are established when it becomes probable that the Bank will incur an expense related to a legal action or regulatory proceeding and the amount can be reliably estimated. Such provisions are recorded at the best estimate of the amount required to settle any obligation related to these legal actions as at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Management and internal and external experts are involved in estimating any amounts that may be required. The actual costs of resolving these claims may vary significantly from the amount of the legal provisions. The Bank's estimate involves significant judgement, given the varying stages of the proceedings, the fact that the Bank's liability, if any, has yet to be determined and the fact that the underlying matters will change from time to time. As such, there is a possibility that the ultimate resolution of those legal actions may be material to the Bank's consolidated results of operations for any particular reporting period.

The Bank, through its Peruvian subsidiary, is engaged in legal actions related to certain value-added tax assessed amounts and associated interest totaling $176 million, which arose from certain client transactions that occurred prior to the Bank's acquisition of the subsidiary. The legal action in Peru relating to the original assessed amount was heard by the Peruvian Constitutional Court in June 2023. That case was decided in favour of the Government of Peru in May 2024. Accordingly, the Bank paid $34 million representing the principal and associated reasonable interest, which was recorded in non-interest expenses – other. In November 2021, the Peruvian Constitutional Court dismissed the matter relating to the accrued default interest for procedural reasons. With respect to this default interest component, and in relation to the Constitutional Court of Peru's treatment of Scotiabank Peru, in October 2022, the Bank filed a request for arbitration against the Republic of Peru before the International Centre for the Settlement of Investment Disputes (ICSID), pursuant to the provisions of the Canada-Peru Free Trade Agreement. In May 2024, the ICSID Tribunal issued a ruling that narrowed the scope of the Bank's case. This case is currently proceeding through the arbitration process. Following these developments, the Bank recorded a legal provision of $142 million in other liabilities – provisions, representing the amount at issue in the arbitration. The Bank intends to continue to vigorously advance its position.

Restructuring Charge

Prior Year

In the prior year, the Bank recorded a restructuring charge and severance provisions of $354 million related to workforce reductions as a result of the Bank's end-to-end digitization, automation, changes in customers' day-to-day banking preferences, as well as the ongoing efforts to streamline operational processes and optimize distribution channels. Of these amounts, which were all recorded in the Other operating segment, $316 million was the restructuring charge included in other liabilities – provisions.

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25 Common shares, preferred shares and other equity instruments

(a) Common shares

Authorized:
An unlimited number of common shares without nominal or par value.
Issued and fully paid:

As at October 31 ($ millions)	2024 Number of shares	2024 Amount	2023 Number of shares	2023 Amount
Outstanding at beginning of year	**1,214,044,420**	**$ 20,109**	1,191,375,095	$ 18,707
Issued in relation to share-based payments, net (Note 27)	**497,930**	**37**	415,247	28
Issued in relation to the Shareholder Dividend and Share Purchase Plan[1]	**29,893,336**	**1,908**	22,254,078	1,374
Outstanding at end of year	**1,244,435,686[2]**	**$ 22,054**	1,214,044,420[2]	$ 20,109

(1) Commencing with the dividend declared on February 28, 2023 and paid on April 26, 2023, the Bank issued to participants of the Shareholder Dividend and Share Purchase Plan (the Plan), common shares from treasury with a discount of 2% to the average market price (as defined in the Plan). Prior to the dividend paid on April 26, 2023, common shares received by participants under the Plan were shares purchased from the open market at prevailing market prices. Further, effective November 1, 2024, and until such time as the Bank elects otherwise, the Bank has suspended the discount to the Average Market Price (as defined in the Plan) for dividend reinvestments and stock dividends under the Plan and will discontinue issuances of common shares from treasury under the Plan. Additionally, effective November 1, 2024, and until such time as the Bank elects otherwise, purchases of common shares under the Plan will be made in the secondary market in accordance with the provisions of the Plan.
(2) In the normal course of business, the Bank's regulated Dealer subsidiary purchases and sells the Bank's common shares to facilitate trading/institutional client activity. During fiscal 2024, the number of such shares bought was 26,564,849 and sold was 26,566,901 (2023 – 19,133,834 bought and 19,132,702 sold).

Dividend

The dividends paid on common shares in fiscal 2024 and 2023 were $5,198 million ($4.24 per share) and $5,003 million ($4.18 per share), respectively. The Board of Directors approved a quarterly dividend of $1.06 per common share at its meeting on December 2, 2024. This quarterly dividend applies to shareholders of record at the close of business on January 7, 2025, and is payable January 29, 2025. Refer to Note 25(c) – Restriction on payment of dividends and retirement of shares.

Normal Course Issuer Bid

The Bank currently does not have an active normal course issuer bid and did not repurchase any common shares during the year ended October 31, 2024.

Non-viability Contingent Capital

The maximum number of common shares issuable on conversion of NVCC subordinated debentures, NVCC subordinated additional tier 1 capital notes, including those issued to Scotiabank LRCN Trust as recourse assets in respect of NVCC limited recourse capital notes, and NVCC preferred shares as at October 31, 2024 would be 4,582 million common shares (2023 – 5,046 million common shares) based on the floor price and excluding the impact of any accrued and unpaid interest and any declared but unpaid dividends (refer to Note 22 – Subordinated debentures and Note 25(b) – Preferred shares and other equity instruments for further details).

(b) Preferred shares and other equity instruments

Preferred shares

Authorized:
An unlimited number of preferred shares without nominal or par value.
Issued and fully paid:

As at October 31 ($ millions)	2024 Number of shares	2024 Amount	2024 Dividends declared per share[1]	2024 Conversion feature	2023 Number of shares	2023 Amount	2023 Dividends declared per share	2023 Conversion feature
NVCC Preferred shares:								
Series 40[a]	**–**	**–**	**0.303125**	**Series 41**	12,000,000	300	1.212500	Series 41
Total preferred shares	**–**	**$ –**			12,000,000	$ 300		

(1) Dividends declared from November 1, 2023 to October 31, 2024.

Terms of NVCC preferred shares

	First issue date	Issue price	Initial dividend	Initial dividend payment date	Rate reset spread	Redemption date	Redemption price
NVCC Preferred shares:							
Series 40[a]	October 12, 2018	25.00	0.362100	January 29, 2019	2.43%	January 27, 2024	25.00

(a) On January 29, 2024, the Bank redeemed $300 million Non-cumulative 5-Year Rate Reset Preferred Shares Series 40 (Non-Viability Contingent Capital (NVCC)) (Series 40 Shares) at a price equal to $25.00 per share together with dividends declared and unpaid. On November 28, 2023, the Board of Directors of Scotiabank declared aquarterly dividend of $0.303125 per Series 40 Share. This was the final dividend of the Series 40 Shares and paid on January 29, 2024, to shareholders of record at the close of business on January 3, 2024.

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Other equity instruments

Other equity instruments are comprised of NVCC additional Tier 1 qualifying regulatory capital notes:

First issue date/ Series number	Notional Amount (millions)	Next reset date	Interest rate	Interest rate after reset	Next redemption date	Redemption frequency after reset[1]	2024 Amount (millions)	2024 Distributions paid per Note[2]	2023 Amount (millions)	2023 Distributions paid per Note[2]
Subordinated Additional Tier 1 Capital Notes[3][4]										
October 12, 2017[5]	U.S.$ 1,250	January 12, 2025	7.566%	SOFR[5] +2.90961%	January 12, 2025	Quarterly	**$ 1,560**	**U.S.$ 83.86**	$ 1,560	U.S.$ 76.23
June 4, 2020	U.S.$ 1,250	June 4, 2025	4.900%	UST[6] +4.551%	June 4, 2025	Every five years	**$ 1,689**	**U.S.$ 49.00**	$ 1,689	U.S.$ 49.00
Limited Recourse Capital Notes[3][7]										
Series 1[8]	$ 1,250	July 27, 2026	3.700%	GOC[9] +2.761%	June 27, 2026	Every five years	**$ 1,250**	**$ 37.00**	$ 1,250	$ 37.00
Series 2[10]	U.S.$ 600	October 27, 2026	3.625%	UST[6] +2.613%	October 27, 2026	Quarterly	**$ 753**	**U.S.$ 36.25**	$ 753	U.S.$ 36.25
Series 3[11]	$ 1,500	July 27, 2027	7.023%	GOC[9] +3.95%	June 27, 2027	Every five years	**$ 1,500**	**$ 70.23**	$ 1,500	$ 70.23
Series 4[12]	U.S.$ 750	October 27, 2027	8.625%	UST[6] +4.389%	October 27, 2027	Quarterly	**$ 1,023**	**U.S.$ 86.25**	$ 1,023	U.S.$ 86.73
Series 5[13]	U.S.$ 750	January 27, 2029	8.000%	UST[6] +4.017%	January 27, 2029	Quarterly	**$ 1,004**	**U.S.$ 63.33**	$ –	U.S.$ –
Total other equity instruments							**$ 8,779**		$ 7,775	

(1) Each security is redeemable at the sole discretion of the Bank on the first reset date and every quarter or five years, as applicable, thereafter. Limited Recourse Capital Notes (LRCN) Series 1 and Series 3 are also redeemable in the one month period preceding each reset date. The securities are also redeemable following a regulatory or tax event, as described in the offering documents. All redemptions are subject to regulatory consent and occur at a redemption price of par plus accrued and unpaid interest (unless canceled, where applicable).
(2) Distributions paid from November 1 to October 31 in the relevant fiscal year per face amount of $1,000 or U.S.$1,000, as applicable.
(3) The securities rank pari passu to each other and are the Bank's direct unsecured obligations, ranking subordinate to Bank's other subordinated indebtedness.
(4) While interest is payable on the securities when it becomes due, the Bank may, at its sole discretion and with notice, cancel interest payments. Refer to Note 25(c) – Restriction on payment of dividends and retirement of shares.
(5) CME 3-month Term SOFR. In respect of these securities, on June 28, 2023, the Bank announced the interest rate transition from three-month USD LIBOR to three-month Term SOFR, plus a spread adjustment of 26.161 bps, for interest periods commencing on or after July 12, 2023.
(6) The then-prevailing five-year U.S. Treasury Rate.
(7) Interest on LRCN is non-deferrable, however, non-payment of interest that is not cured within five business days results in a Recourse Event. A Recourse Event of the respective Series occurs if (a) there is non-payment in cash by the Bank of the principal amount, together with any accrued and unpaid interest, on the maturity date, (b) there is non-payment in cash of interest which is not cured within 5 business days, (c) there is non-payment in cash of the redemption price in connection with the redemption of the LRCNs, (d) an event of default occurs (i.e. bankruptcy, insolvency, or liquidation of the Bank), or (e) there is an NVCC Trigger Event. Upon the occurrence of a Recourse Event, the noteholder's sole recourse will be limited to their proportionate share of the Series' respective assets held in Scotiabank LRCN Trust, a consolidated entity, which consist initially of the respective AT1 Notes or, following an NVCC Trigger Event, common shares. Refer to Note 25(c) – Restriction on payment of dividends and retirement of shares.
(8) On June 15, 2021, the Bank issued $1,250 million 3.70% Fixed Rate Resetting Limited Recourse Capital Notes Series 1 (NVCC) ("LRCN Series 1"). In connection with the issuance of LRCN Series 1, the Bank issued $1,250 million of Fixed Rate Resetting Perpetual Subordinated Additional Tier 1 Capital Notes (NVCC) ("the Series 1 AT1 Notes") to Scotiabank LRCN Trust to be held as trust assets in connection with the LRCN structure.
(9) The then-prevailing five-year Government of Canada yield.
(10) On October 7, 2021, the Bank issued U.S.$600 million 3.625% Fixed Rate Resetting Limited Recourse Capital Notes Series 2 (NVCC) ("LRCN Series 2"). In connection with the issuance of LRCN Series 2, the Bank issued U.S.$600 million of Fixed Rate Resetting Perpetual Subordinated Additional Tier 1 Capital Notes (NVCC) ("the Series 2 AT1 Notes") to Scotiabank LRCN Trust to be held as trust assets in connection with the LRCN structure.
(11) On June 16, 2022, the Bank issued $1,500 million 7.023% Fixed Rate Resetting Limited Recourse Capital Notes Series 3 (NVCC) ("LRCN Series 3"). In connection with the issuance of LRCN Series 3, the Bank issued $1,500 million of Fixed Rate Resetting Perpetual Subordinated Additional Tier 1 Capital Notes (NVCC) ("the Series 3 AT1 Notes") to Scotiabank LRCN Trust to be held as trust assets in connection with the LRCN structure.
(12) On October 25, 2022, the Bank issued U.S.$750 million 8.625% Fixed Rate Resetting Limited Recourse Capital Notes Series 4 (NVCC) ("LRCN Series 4"). In connection with the issuance of LRCN Series 4, the Bank issued U.S.$750 million of Fixed Rate Resetting Perpetual Subordinated Additional Tier 1 Capital Notes (NVCC) ("the Series 4 AT1 Notes") to Scotiabank LRCN Trust to be held as trust assets in connection with the LRCN structure.
(13) On January 12, 2024, the Bank issued U.S.$750 million 8.000% Fixed Rate Resetting Limited Recourse Capital Notes Series 5 (NVCC) ("LRCN Series 5"). In connection with the issuance of LRCN Series 5, the Bank issued U.S.$750 million of Fixed Rate Resetting Perpetual Subordinated Additional Tier 1 Capital Notes (NVCC) ("the Series 5 AT1 Notes") to Scotiabank LRCN Trust to be held as trust assets in connection with the LRCN structure.

Contractual NVCC provisions contained in the Bank's Subordinated Additional Tier 1 Capital Notes, including those issued to Scotiabank LRCN Trust as recourse assets in respect of the LRCNs, trigger conversion of these securities into a variable number of common shares if OSFI announces that the Bank has ceased, or is about to cease, to be viable, or if a federal or provincial government in Canada publicly announces that the Bank has accepted or agreed to accept a capital injection, or equivalent support, from the federal government or any provincial government or political subdivision or agent thereof without which the Bank would have been determined by OSFI to be non-viable. If such a conversion were to occur, outstanding Subordinated Additional Tier 1 Capital Notes (NVCC), would be converted into common shares pursuant to an automatic conversion formula defined as 125% of the par value plus accrued and unpaid interest divided by the conversion price. The conversion price is based on the greater of: (i) $5.00 (subject to adjustments in certain events and converted to U.S. dollar-equivalent, where applicable, each as set out in their respective prospectus supplements), and (ii) the current market price of the Bank's common shares at the time of the trigger event (10-day weighted average and converted to U.S. dollar-equivalent, where applicable). U.S. dollar equivalents of the floor price and the current market price, where applicable, are based on the CAD/USD exchange rate on the day prior to the trigger event.

The notes above have been determined to be compound instruments that have both equity and liability features. At inception, the fair value of the liability component is initially measured with any residual amount assigned to the equity component. On the respective dates of issuance, the Bank has assigned an insignificant value to each liability component of the notes and, as a result, the proceeds received upon issuance of the notes have been presented as equity. The Bank will continue to monitor events that could impact the value of the liability component.

During the year ended October 31, 2024, the Bank paid aggregate distributions on these notes of $469 million (2023 – $405 million), net of income taxes of $93 million (2023 – $75 million), based on exchange rates in effect on the payment dates, where applicable.

(c) Restrictions on payment of dividends and retirement of shares

Under the Bank Act, the Bank is prohibited from declaring or paying any dividends on its common or preferred shares or redeeming, purchasing or otherwise retiring such shares when the Bank is, or would be placed by such a declaration or retirement, in contravention of the capital adequacy, liquidity or any other regulatory directives issued under the Bank Act.

In the event that applicable cash distributions on any of the Scotiabank Trust Securities are not paid on a regular distribution date, the Bank has undertaken not to pay dividends of any kind on its preferred or common shares until such distributions are made in full or the twelfth month following the non-payment of such distributions. Similarly, should the Bank fail to declare regular dividends on any of its directly issued and outstanding preferred or common shares, cash distributions will also not be made on any of the Scotiabank Trust Securities.

In the event that distributions are not paid in full on the Bank's Subordinated Additional Tier 1 Capital Notes (NVCC), including those issued as recourse assets in respect of LRCNs to Scotiabank LRCN Trust where the trustee has not waived such distributions or no longer holds the respective AT1 Notes, the Bank has undertaken not to declare dividends on its common or preferred shares or redeem, purchase or otherwise retire such shares until the month commencing after such distributions have been made in full.

In the event that dividends to which preferred shareholders are then entitled have not been paid or sufficient funds have not been set aside to do so, the Bank has undertaken not to declare dividends on its common shares or redeem, purchase or otherwise retire its common shares.

Currently, the above limitations do not restrict the payment of dividends on or retirement of preferred or common shares.

26 Capital Management

The primary regulator over the Bank's consolidated capital adequacy is the Office of the Superintendent of Financial Institutions, Canada (OSFI). The capital adequacy regulations in Canada are largely consistent with international standards set by the Basel Committee on Banking Supervision (BCBS). OSFI requires Canadian deposit-taking institutions to fully implement the Basel III reforms and achieve minimums of 7%, 8.5% and 10.5% for CET1, Tier 1 and Total Capital, respectively. OSFI has also designated the Bank as a domestic systemically important bank (D-SIB), increasing its minimum capital ratio requirements by 1% across all tiers of capital, in line with the requirements for global systemically important banks.

In addition, OSFI expects D-SIBs to hold a Domestic Stability Buffer (DSB). In December 2022 OSFI announced that the DSB will increase to 3.0% of total risk-weighted assets (RWA), effective February 1, 2023, and has increased the DSB's range from 0% to 4.0%. In June 2023, OSFI announced that the DSB will increase to 3.5% of total risk-weighted assets (RWA), effective November 1, 2023. In addition, in June 2024, OSFI maintained the DSB at 3.5% of RWA. OSFI's minimum regulatory capital ratio requirements, including the D-SIB 1.0% surcharge and its DSB are: 11.5%, 13.0% and 15.0% for Common Equity Tier 1 (CET1), Tier 1 and Total capital ratios, respectively.

In addition to risk-based capital requirements, the Basel III reforms introduced a simpler, non risk-based Leverage ratio requirement to act as a supplementary measure to its risk-based capital requirements. Institutions are expected to maintain an operating buffer above the 3.5% minimum, including the D-SIB surcharge of 0.5%, effective Q2 2023.

The Bank's regulatory capital ratios were as follows:

As at October 31 ($ millions)	2024	2023
Capital[1]		
Common Equity Tier 1 capital	**$ 60,631**	$ 57,041
Net Tier 1 capital	**69,499**	65,223
Total regulatory capital	**77,708**	75,651
Total loss absorbing capacity (TLAC)[2]	**137,752**	134,504
Risk-weighted assets/exposures used in calculation of capital ratios		
Risk-weighted assets[1]	**$ 463,992**	$ 440,017
Leverage exposures[3]	**1,563,140**	1,562,963
Regulatory ratios[1]		
Common Equity Tier 1 capital ratio	**13.1%**	13.0%
Tier 1 capital ratio	**15.0%**	14.8%
Total capital ratio	**16.7%**	17.2%
Total loss absorbing capacity ratio[2]	**29.7%**	30.6%
Leverage ratio[3]	**4.4%**	4.2%
Total loss absorbing capacity leverage ratio[2]	**8.8%**	8.6%

(1) 2024 regulatory capital ratios are based on Revised Basel III requirements as determined in accordance with OSFI Guideline – Capital Adequacy Requirements (November 2023). Prior year regulatory capital ratios were prepared in accordance with OSFI Guideline – Capital Adequacy Requirements (February 2023).
(2) This measure has been disclosed in this document in accordance with OSFI Guideline – Total Loss Absorbing Capacity (September 2018).
(3) The leverage ratios are based on Revised Basel III requirements as determined in accordance with OSFI Guideline – Leverage Requirements (February 2023).

The Bank exceeded the OSFI regulatory minimum capital ratios as at October 31, 2024.

27 Share-Based Payments

(a) Stock option plans

The Bank grants stock options as part of the Employee Stock Option Plan as well as stand-alone stock appreciation rights (SARs). Options to purchase common shares and/or to receive an equivalent cash payment, as applicable, may be granted to select employees at an exercise price of the higher of the closing price of the Bank's common shares on the TSX on the trading day prior to the grant date or the volume weighted average trading price for the five trading days immediately preceding the grant date.

Stock options granted since December 2014 vest 50% at the end of the third year and50% at the end of the fourth year. This change is prospective and does not impact prior period grants. Stock options are exercisable no later than 10 years after the grant date. In the event that the expiry date falls within an insider trading blackout period, the expiry date will be extended for 10 business days after the end of the blackout period. There is a total of 141 million common shares which have been reserved for issuance under the Bank's Employee Stock Option Plan of which 118 million common shares have been issued as a result of the exercise of options and 11 million common shares are committed under outstanding options, leaving 12 million common shares available for issuance as options. Outstanding options expire on dates ranging from December 8, 2024 to December 7, 2033.

The cost of these options is recognized on a graded vesting basis except where the employee is eligible to retire prior to a tranche's vesting date, in which case the cost is recognized between the grant date and the date the employee is eligible to retire.

The Stock Option Plan includes:

- Stock options

  Employee stock options granted are equity-classified stock options which call for settlement in shares.

  The amount recorded in equity – other reserves for vested stock options as at October 31, 2024 was $124 million (2023 – $115 million).

  In 2024, an expense of $13 million (2023 – $14 million) was recorded in salaries and employee benefits in the Consolidated Statement of Income. As at October 31, 2024, future unrecognized compensation cost for non-vested stock options was $10 million (2023 – $9 million) which is to be recognized over a weighted-average period of 2.03 years (2023 – 2.06 years).

- Stock appreciation rights

  Stand-alone SARs are granted instead of stock options to select employees in countries where local laws may restrict the Bank from issuing shares. When a SAR is exercised, the Bank pays the appreciation amount in cash equal to the rise in the market price of the Bank's common shares since the grant date.

  During fiscal 2024, 81,414 SARs were granted (2023 – 111,692) and as at October 31, 2024, 570,156 SARs were outstanding (2023 – 609,406), of which 566,349 SARs were vested (2023 – 604,748).

  The impact to the Bank's financial statements of vested and outstanding SARs was not material.

Determination of fair values

The share-based payment expense for stock options was quantified using the Black-Scholes option pricing model on the date of grant. The fiscal 2024 and 2023 stock option grants were fair valued using the following weighted-average assumptions and resulting fair value per award:

	2024 Grant	2023 Grant
Assumptions		
Risk-free interest rate %	**3.26%**	3.33%
Expected dividend yield	**4.47%**	5.79%
Expected price volatility	**19.76%**	20.58%
Expected life of option	**6.90 Years**	6.93 Years
Fair value		
Weighted-average fair value	**$ 7.68**	$ 6.81

The risk-free rate is based on Canadian treasury bond rates interpolated for the maturity equal to the expected life until exercise of the options. Expected dividend yield is based on historical dividend payout. Expected price volatility is determined based on the historical volatility for compensation. For accounting purposes, an average of the market consensus implied volatility for traded options on our common shares and the historical volatility is used.

Details of the Bank's Employee Stock Option Plan are as follows[1]:

	2024		2023	
As at October 31	Number of stock options (000's)	Weighted average exercise price	Number of stock options (000's)	Weighted average exercise price
Outstanding at beginning of year	**11,558**	**$ 72.74**	9,907	$ 73.24
Granted	**2,676**	**59.99**	2,478	68.58
Exercised as options	**(498)**	**66.04**	(415)	59.07
Exercised as SARs	**–**	**–**	(7)	55.63
Forfeited	**(600)**	**70.34**	(272)	74.07
Expired	**(1,680)**	**68.84**	(133)	72.92
Outstanding at end of year	**11,456**	**$ 70.75**	11,558	$ 72.74
Exercisable at end of year	**4,737**	**$ 73.10**	5,088	$ 71.90
Available for grant	**11,902**		12,480	

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As at October 31, 2024	Options Outstanding			Options Exercisable	
	Number of stock options (000's)	Weighted average remaining contractual life (years)	Weighted average exercise price	Number of stock options (000's)	Weighted average exercise price
Range of exercise prices					
$55.63 to $68.32	**2,892**	**7.62**	**$ 60.59**	**494**	**$ 63.49**
$68.33 to $74.34	**6,405**	**5.63**	**$ 70.80**	**3,520**	**$ 72.66**
$74.35 to $85.46	**2,159**	**5.56**	**$ 84.24**	**723**	**$ 81.81**
	11,456	**6.12**	**$ 70.75**	**4,737**	**$ 73.10**

(1) Excludes SARs.

(b) Employee share ownership plans

Eligible employees can contribute up to a specified percentage of salary towards the purchase of common shares of the Bank. In general, the Bank matches50-60% of eligible contributions, depending on the region, up to a maximum dollar amount, which is expensed in salaries and employee benefits. During 2024, the Bank's contributions totalled $94 million (2023 – $87 million). Contributions, which are used to purchase common shares in the open market, do not result in a subsequent expense to the Bank from share price appreciation.

As at October 31, 2024, an aggregate of21 million common shares were held under the employee share ownership plans (2023 – 20 million). The shares in the employee share ownership plans are considered outstanding for computing the Bank's basic and diluted earnings per share.

(c) Other share-based payment plans

Other share-based payment plans use notional units that are valued based on the Bank's common share price on the TSX. Most grants of units accumulate dividend equivalents in the form of additional units based on the dividends paid on the Bank's common shares. These plans are settled in cash and, as a result, are liability-classified. Fluctuations in the Bank's share price change the value of the units, which affects the Bank's share-based payment expense. As described below, the value of the Performance Share Units also varies based on Bank performance. Upon exercise or redemption, payments are made to the employees with a corresponding reduction in the accrued liability.

In 2024, an aggregate expense of $357 million (2023 – $320 million) was recorded in salaries and employee benefits in the Consolidated Statement of Income for these plans. This expense includes gains from derivatives used to manage the volatility of share-based payments of $196 million (2023 – $131 million losses).

As at October 31, 2024, the share-based payment liability recognized for vested awards under these plans was $1,010 million (2023 – $741 million).

Details of these other share-based payment plans are as follows:

Deferred Stock Unit Plan (DSU)

Under the DSU Plan, senior executives may elect to receive all or a portion of their cash bonus under the Annual Incentive Plan (which is expensed for the year awarded in salaries and employee benefits in the Consolidated Statement of Income) in the form of deferred stock units which vest immediately. In addition the DSU plan allows for eligible executives of the Bank to participate in grants that are not allocated from the Annual Incentive Plan election. These grants are subject to specific vesting schedules. Units are redeemable in cash only when an executive ceases to be a Bank employee, and must be redeemed by December 31 of the year following that event. As at October 31, 2024, there were 2,732,877 units (2023 – 2,243,413) awarded and outstanding of which 1,893,903 units were vested (2023 – 1,579,420).

Directors' Deferred Stock Unit Plan (DDSU)

Under the DDSU Plan, non-officer directors of the Bank may elect to receive all or a portion of their fee for that fiscal year (which is expensed by the Bank in other expenses in the Consolidated Statement of Income) in the form of deferred stock units which vest immediately. Units are redeemable in cash, only following resignation or retirement, and must be redeemed by December 31 of the year following that event. As at October 31, 2024, there were 420,889 units outstanding (2023 – 336,929).

Restricted Share Unit Plan (RSU)

Under the RSU Plan, select employees receive an award of restricted share units which, for the majority of grants, vest at the end of three years. There are certain grants that provide for a graduated vesting schedule. Upon vesting, all RSU units are paid in cash to the employee. The share-based payment expense is recognized evenly over the vesting period except where the employee is eligible to retire prior to the vesting date in which case, the expense is recognized between the grant date and the date the employee is eligible to retire. As at October 31, 2024, there were 8,478,453 units (2023 – 6,717,498) awarded and outstanding of which 5,665,778 units were vested (2023 – 4,804,239).

Performance Share Unit Plan (PSU)

Eligible executives receive an award of performance share units which, for the majority of grants, vest at the end of three years. Certain grants provide for a graduated vesting schedule which includes a specific performance factor calculation. PSU awards are subject to performance criteria measured over a three-year period whereby a multiplier factor is applied which impacts the incremental number of units due to employees. The three-year performance measures include return on equity compared to target and total shareholder return relative to a comparator group selected prior to the granting of the award. The Bank uses a probability-weighted-average of potential outcomes to estimate the multiplier impact. The share-based payment expense is recognized over the vesting period except where the employee is eligible to retire prior to the vesting date; in which case, the expense is recognized between the grant date and the date the employee is eligible to retire. This expense varies based on changes in the Bank's share price and the Bank's performance compared to the performance measures. Upon vesting, the units are paid in cash to the employee. As at October 31, 2024, there were 6,766,501 units (2023 – 7,382,945) outstanding subject to performance criteria, of which 4,843,892 units were vested (2023 – 6,059,966).

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28 Corporate Income Taxes

Corporate income taxes recorded in the Bank's consolidated financial statements for the years ended October 31 are as follows:

(a) Components of income tax provision

For the year ended October 31 ($ millions)	2024[1]	2023[1]
Provision for income taxes in the Consolidated Statement of Income:		
Current income taxes:		
Domestic:		
Federal	**$ 138**	$ 736
Provincial	**275**	626
Adjustments related to prior periods	**(40)**	715
Foreign	**1,219**	1,053
Adjustments related to prior periods	**2**	(6)
	1,594	3,124
Deferred income taxes:		
Domestic:		
Federal	**388**	(604)
Provincial	**181**	(274)
Foreign	**(131)**	(25)
	438	(903)
Total provision for income taxes in the Consolidated Statement of Income	**$ 2,032**	$ 2,221
Provision for income taxes in the Consolidated Statement of Changes in Equity:		
Current income taxes	**$ 1,019**	$ (168)
Deferred income taxes	**41**	(331)
	1,060	(499)
Reported in:		
Other Comprehensive Income	**1,156**	(420)
Retained earnings	**(96)**	(79)
Other reserves	**–**	–
Total provision for income taxes in the Consolidated Statement of Changes in Equity	**1,060**	(499)
Total provision for income taxes	**$ 3,092**	$ 1,722
Provision for income taxes in the Consolidated Statement of Income includes:		
Deferred tax expense (benefit) relating to origination/reversal of temporary differences	**$ 438**	$ (833)
Deferred tax expense (benefit) of tax rate changes	**–**	(70)
	$ 438	$ (903)

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.

(b) Reconciliation to statutory rate

Income taxes in the Consolidated Statement of Income vary from the amounts that would be computed by applying the composite federal and provincial statutory income tax rate for the following reasons:

	2024[1]		2023[1]	
For the year ended October 31 ($ millions)	Amount	Percent of pre-tax income	Amount	Percent of pre-tax income
Income taxes at Canadian statutory rate	**$ 2,755**	**27.8%**	$ 2,682	27.7%
Increase (decrease) in income taxes resulting from:				
Lower average tax rate applicable to subsidiaries and foreign branches	**(746)**	**(7.5)**	(692)	(7.1)
Tax-exempt income from securities	**(28)**	**(0.3)**	(341)	(3.5)
Other, net[2]	**51**	**0.5**	572	5.9
Total income taxes and effective tax rate	**$ 2,032**	**20.5%**	$ 2,221	23.0%

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) Fiscal 2023 includes $579 tax expense for the CRD and $98 tax benefit from the non-taxable gain related to the divestiture of the equity interest in CTFS.

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(c) Deferred taxes

Significant components of the Bank's deferred tax assets and liabilities are as follows:

	Statement of Income		Statement of Financial Position	
	For the year ended[1]		As at[1]	
October 31 ($ millions)	**2024**	2023	**2024**	2023
Deferred tax assets:				
Loss carryforwards	**$ 29**	$ (201)	**$ 930**	$ 1,281
Allowance for credit losses	**54**	(172)	**1,076**	1,155
Deferred compensation	**(100)**	(77)	**317**	274
Deferred income	**(137)**	(100)	**255**	138
Property and equipment	**(10)**	(19)	**262**	339
Pension and other post-retirement benefits	**(48)**	(48)	**387**	321
Securities	**(17)**	(15)	**260**	386
Lease liabilities	**28**	(1)	**891**	936
Own credit risk	**–**	–	**250**	31
Other	**(57)**	(177)	**673**	542
Total deferred tax assets	**$ (258)**	$ (810)	**$ 5,301**	$ 5,403
Deferred tax liabilities:				
Cash flow hedges	**$ –**	$ –	**$ 57**	$ 127
Deferred compensation	**(24)**	(19)	**187**	180
Deferred income	**(20)**	(23)	**50**	36
Property and equipment	**(243)**	174	**684**	569
Pension and other post-retirement benefits	**1**	1	**82**	120
Securities	**(14)**	(152)	**354**	385
Investment in subsidiaries and associates	**52**	43	**29**	67
Intangible assets	**(344)**	160	**1,809**	1,454
Other	**(104)**	(91)	**504**	370
Total deferred tax liabilities	**$ (696)**	$ 93	**$ 3,756**	$ 3,308
Net deferred tax assets (liabilities)[2]	**$ 438**	$ (903)	**$ 1,545**	$ 2,095

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) For Consolidated Statement of Financial Position presentation, deferred tax assets and liabilities are assessed by legal entity. As a result, the net deferred tax assets of $1,545 (2023 – $2,095) are represented by deferred tax assets of $2,942 (2023 – $3,541), and deferred tax liabilities of $1,397 (2023 – $1,446) on the Consolidated Statement of Financial Position.

The major changes to net deferred taxes were as follows:

For the year ended October 31 ($ millions)	**2024**	2023
Balance at beginning of year	**$ 2,095**	$ 803
Deferred tax benefit (expense) for the year recorded in income	**(438)**	903
Deferred tax benefit (expense) for the year recorded in equity	**(41)**	331
Disposed in divestitures	**–**	–
Other	**(71)**	58
Balance at end of year	**$ 1,545**	$ 2,095

The tax related to temporary differences, unused tax losses and unused tax credits for which no deferred tax asset is recognized in the Consolidated Statement of Financial Position amounts to $18 million (October 31, 2023 – $10 million). The amount related to unrecognized losses is $18 million, which will expire as follows: $3 million between 2024 and 2033 and $15 million has no expiry.

Included in the net deferred tax asset are tax benefits of $73 million (2023 – $2,563 million) that have been recognized in the Canadian bank and certain Canadian and foreign subsidiaries that have incurred losses in either the current or the preceding year. In determining if it is appropriate to recognize these tax benefits, the Bank relied on projections of future taxable profits which are expected to generate sufficient taxable income to utilize the deferred tax assets.

The amount of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures for which deferred tax liabilities have not been recognized at October 31, 2024 is approximately $57 billion (2023 – $50 billion).

Tax Assessments

The Bank received reassessments totaling $1,634 million of tax and interest as a result of the Canada Revenue Agency (CRA) denying the tax deductibility of certain Canadian dividends received during the 2011-2019 taxation years. The dividends subject to these reassessments are similar to those prospectively addressed by tax rules introduced in 2015 and 2018. The Bank has filed Notices of Appeal with the Tax Court of Canada against the federal reassessment in respect of its 2011 and 2012 taxation years. In addition, a subsidiary of the Bank received reassessments on the same matter in respect of its 2018 and 2019 taxation years totaling $3 million of tax and interest.

A subsidiary of the Bank received withholding tax assessments from the CRA in respect of certain of its securities lending transactions for its 2014-2019 taxation years totaling $637 million of tax, penalties and interest. The subsidiary has filed a Notice of Appeal with the Tax Court of Canada against the federal assessment in respect of its 2014-2018 taxation years and intends to file a Notice of Objection in respect of its 2019 taxation year assessment.

In respect of both matters, the Bank is confident that its tax filing position was appropriate and in accordance with the relevant provisions of the Income Tax Act (Canada) and intends to vigorously defend its position.

Canada Recovery Dividend

In prior year, the Bank recognized an additional income tax expense of $579 million reflecting the present value of the amount payable for the Canada Recovery Dividend (CRD). The CRD is a Canadian federal tax measure which requires the Bank to pay a one-time tax of 15% on taxable income in excess of $1 billion, based on the average taxable income for the 2020 and 2021 taxation years.

Canadian Federal Tax Measures

On August 12, 2024, the Department of Finance released draft legislation on the proposed increase to the capital gains inclusion rate from 50% to 66.7% for gains or losses realized after June 24, 2024.

A Notice of Ways and Means Motion was tabled on September 23, 2024 to implement the draft legislation for the increased capital gains inclusion rate. This legislation is expected to be enacted in a future bill and its impact is not material to the Bank.

Global Minimum Tax

The Organisation for Economic Co-operation and Development (OECD) published Pillar Two model rules in December 2021 as part of its efforts toward international tax reform. The rules aim to have large multinational enterprises, with consolidated revenues in excess of €750 million, pay a minimum effective tax of 15% in each jurisdiction they operate. OECD member countries are in the process of developing domestic tax legislation to implement the rules. In June 2024, Canada enacted the Global Minimum Tax (GMT) Act as part of Bill C-69. During the year, certain countries have also enacted their local GMT legislation to introduce a domestic minimum top-up tax. These laws will apply to the Bank from fiscal year 2025 onwards.

The IASB previously issued amendments to IAS 12 Income Taxes for a temporary mandatory exception from the recognition and disclosure of deferred taxes related to the implementation of Pillar Two GMT rules, which the Bank has applied.

The Bank has performed an assessment of its potential GMT impact and continues to monitor relevant legislation and available guidance when released across various jurisdictions. GMT is expected to apply to earnings from jurisdictions including Bahamas, Barbados, Cayman Islands and Ireland. Based on the Bank's preliminary assessment, the Bank expects an increase in its effective tax rate by approximately 1% for the year ending October 31, 2025.

29 Employee Benefits

The Bank sponsors a number of employee benefit plans, including pensions (defined benefit and defined contribution) and other benefit plans (post-retirement benefits and other long-term employee benefits) for most of its employees globally. The information presented below relates to the Bank's principal plans; other plans operated by certain subsidiaries of the Bank are not considered material and are not included in these disclosures.

Global pension plans

The principal pension plans include plans in Canada, U.S., Mexico, UK, Ireland, Jamaica, Trinidad & Tobago and other countries in the Caribbean in which the Bank operates. The Bank has a strong and well-defined governance structure to manage these global obligations. The investment policy for each principal plan is reviewed periodically and all plans are in good standing with respect to legislation and local regulations.

Actuarial valuations for funding purposes for the Bank's funded pension plans are conducted as required by applicable legislation. The purpose of the actuarial valuation is to determine the funded status of the plans on a going-concern and statutory basis and to determine the required contributions. The plans are funded in accordance with applicable pension legislation and the Bank's funding policies such that future benefit promises based on plan provisions are well secured. The assumptions used for the funding valuations are set by independent plan actuaries on the basis of the requirements of the local actuarial standards of practice and statutes.

Scotiabank Pension Plan (Canada)

The most significant pension plan is the Scotiabank Pension Plan (SPP) in Canada, which includes a closed defined benefit (DB) component. Employees hired in Canada on or after May 1, 2018, participate in a defined contribution (DC) component only. As the administrator of the SPP, the Bank has established a well-defined governance structure and policies to maintain compliance with legislative and regulatory requirements under OSFI and the Canada Revenue Agency. The Bank appoints a number of committees to oversee and make decisions related to the administration of the SPP. Certain committees are also responsible for the investment of the assets of the SPP Fund and for monitoring the investment managers and performance.

- The Human Capital and Compensation Committee (HCOB) of the Board approves the charter of the Pension Administration and Investment Committee (PAIC), reviews reports, and approves the investment policy. The HCOB also reviews and recommends any amendments to the SPP to the Board of Directors.
- PAIC is responsible for recommending the investment policy to the HCOB, for appointing and monitoring investment managers, and for reviewing auditor and actuary reports. PAIC also monitors the administration of member pension benefits.
- The Scotiabank Master Trust Committee (MTC) invests assets in accordance with the investment policy and all applicable legislation. The MTC assigns specific mandates to investment managers.
- The Capital Accumulation Plans (CAP) Committee is responsible for the administration and investment of the DC component of the SPP including the selection and monitoring of investment options available to DC participants.

Actuarial valuations for funding purposes for the SPP are conducted on an annual basis. The most recent funding valuation was conducted as of November 1, 2023. Contributions are being made to the SPP in accordance with this valuation and are shown in the table in b) below. The assumptions used for the funding valuation are set by independent plan actuaries on the basis of the requirements of the Canadian Institute of Actuaries and applicable regulation.

Other benefit plans

The principal other benefit plans include plans in Canada, U.S., Mexico, Uruguay, UK, Jamaica, Trinidad & Tobago, Colombia and other countries in the Caribbean in which the Bank operates. The most significant other benefit plans provided by the Bank are in Canada.

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Key assumptions

The financial information reported below in respect of pension and other benefit plans is based on a number of assumptions. The most significant assumption is the discount rate used to determine the defined benefit obligation, which is set by reference to the yields on high quality corporate bonds that have durations that match the terms of the Bank's obligations. Separate discount rates are used to determine the annual benefit expense in Canada and the U.S. These rates are determined with reference to the yields on high quality corporate bonds with durations that match the various components of the annual benefit expense. The discount rate used to determine the annual benefit expense for all other plans continues to be the same as the rate used to determine the defined benefit obligation. Other assumptions set by management are determined in reference to market conditions, plan-level experience, best practices and future expectations. The key weighted-average assumptions used by the Bank for the measurement of the benefit obligation and benefit expense for all of the Bank's principal plans are summarized in the table in f) below.

Risk management

The Bank's defined benefit pension plans and other benefit plans expose the Bank to a number of risks. Some of the more significant risks include interest rate risk, investment risk, longevity risk and health care cost increases, among others. These risks could result in higher defined benefit expense and a higher defined benefit obligation to the extent that:

- there is a decline in discount rates; and/or
- plan assets returns are less than expected; and/or
- plan members live longer than expected; and/or
- health care costs are higher than assumed.

In addition to the governance structure and policies in place, the Bank manages risks by regularly monitoring market developments and asset investment performance. The Bank also monitors regulatory and legislative changes along with demographic trends and revisits the investment strategy and/or plan design as warranted.

a) Relative size of plan obligations and assets

	Pension plans			Other benefit plans	
	Canada				
For the year ended October 31, 2024	SPP	Other	International	Canada	International
Percentage of total benefit obligations	**72%**	**15%**	**13%**	**50%**	**50%**
Percentage of total plan assets	**74%**	**11%**	**15%**	**–%**	**100%**
Percentage of total benefit expense[1]	**73%**	**27%**	**–%**	**46%**	**54%**

	Pension plans			Other benefit plans	
	Canada				
For the year ended October 31, 2023	SPP	Other	International	Canada	International
Percentage of total benefit obligations	71%	15%	14%	48%	52%
Percentage of total plan assets	73%	11%	16%	–%	100%
Percentage of total benefit expense[1]	71%	26%	3%	42%	58%

(1) Excludes non-routine benefit expense items such as past service costs, curtailment charges and settlement charges.

b) Cash contributions and payments

The table below shows the cash contributions and payments made by the Bank to its principal plans in 2024, and the prior year.

Contributions to the principal plans for the year ended October 31 ($ millions)	2024	2023
Defined benefit pension plans (cash contributions to fund the plans, including paying beneficiaries under the unfunded pension arrangements)		
SPP (excluding DC provision)	**$ 69**	$ 15
All other plans	**47**	103
Other benefit plans (cash contributions mainly in the form of benefit payments to beneficiaries)	**62**	64
Defined contribution pension and other benefit plans (cash contributions)	**184**	159
DC pension contributions funded from pension plan surplus	**(54)**	(59)
Total contributions[1]	**$ 308**	$ 282

(1) Based on preliminary estimates, the Bank expects to make contributions of $137 to the SPP (excluding the DC provision), $63 to all other defined benefit pension plans, $67 to other benefit plans and $194 to all defined contribution plans for the year ending October 31, 2025.

c) Funded and unfunded plans

The excess (deficit) of the fair value of assets over the benefit obligation at the end of the year includes the following amounts for plans that are wholly unfunded and plans that are wholly or partly funded.

As at October 31 ($ millions)	Pension plans		Other benefit plans	
	2024	2023	**2024**	2023
Benefit obligation				
Benefit obligation of plans that are wholly unfunded	**$ 362**	$ 339	**$ 930**	$ 873
Benefit obligation of plans that are wholly or partly funded	**8,529**	7,330	**217**	241
Funded status				
Benefit obligation of plans that are wholly or partly funded	**$ 8,529**	$ 7,330	**$ 217**	$ 241
Fair value of assets	**9,260**	8,139	**84**	113
Excess (deficit) of fair value of assets over benefit obligation of wholly or partly funded plans	**$ 731**	$ 809	**$ (133)**	$ (128)
Benefit obligation of plans that are wholly unfunded	**362**	339	**930**	873
Excess (deficit) of fair value of assets over total benefit obligation	**$ 369**	$ 470	**$ (1,063)**	$ (1,001)
Effect of asset limitation and minimum funding requirement	**(208)**	(55)	**–**	–
Net asset (liability) at end of year	**$ 161**	$ 415	**$ (1,063)**	$ (1,001)

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d) Financial information

The following tables present financial information related to the Bank's principal plans.

For the year ended October 31 ($ millions)	Pension plans 2024	Pension plans 2023	Other benefit plans 2024	Other benefit plans 2023
Change in benefit obligation				
Benefit obligation at beginning of year	**$ 7,669**	$ 7,630	**$ 1,114**	$ 1,123
Current service cost	**205**	218	**20**	20
Interest cost on benefit obligation	**456**	428	**77**	77
Employee contributions	**27**	26	**–**	–
Benefits paid	**(404)**	(406)	**(101)**	(94)
Actuarial loss (gain)	**959**	(278)	**59**	(42)
Past service cost	**–**	(1)	**(1)**	(2)
Business acquisition	**–**	–	**–**	(1)
Settlements	**(2)**	–	**–**	–
Foreign exchange	**(19)**	52	**(21)**	33
Benefit obligation at end of year	**$ 8,891**	$ 7,669	**$ 1,147**	$ 1,114
Change in fair value of assets				
Fair value of assets at beginning of year	**8,139**	8,309	**113**	116
Interest income on fair value of assets	**494**	480	**9**	12
Return on plan assets in excess of (less than) interest income on fair value of assets	**955**	(351)	**8**	2
Employer contributions	**62**	59	**62**	64
Employee contributions	**27**	26	**–**	–
Benefits paid	**(404)**	(406)	**(101)**	(94)
Administrative expenses	**(13)**	(12)	**–**	–
Business acquisition	**–**	–	**–**	–
Settlements	**(3)**	–	**–**	–
Foreign exchange	**3**	34	**(7)**	13
Fair value of assets at end of year	**$ 9,260**	$ 8,139	**$ 84**	$ 113
Funded status				
Excess (deficit) of fair value of assets over benefit obligation at end of year	**369**	470	**(1,063)**	(1,001)
Effect of asset limitation and minimum funding requirement [1]	**(208)**	(55)	**–**	–
Net asset (liability) at end of year	**$ 161**	$ 415	**$ (1,063)**	$ (1,001)
Recorded in:				
Other assets in the Bank's Consolidated Statement of Financial Position	**684**	936	**1**	2
Other liabilities in the Bank's Consolidated Statement of Financial Position	**(523)**	(521)	**(1,064)**	(1,003)
Net asset (liability) at end of year	**$ 161**	$ 415	**$ (1,063)**	$ (1,001)
Annual benefit expense				
Current service cost	**205**	218	**20**	20
Net interest expense (income)	**(32)**	(33)	**68**	65
Administrative expenses	**12**	13	**–**	–
Past service costs	**–**	(1)	**(1)**	(2)
Amount of settlement (gain) loss recognized	**1**	–	**–**	–
Remeasurement of other long-term benefits	**–**	–	**6**	(2)
Benefit expense (income) recorded in the Consolidated Statement of Income (A)	**$ 186**	$ 197	**$ 93**	$ 81
Defined contribution benefit expense (B)	**$ 183**	$ 158	**$ 1**	$ 1
Remeasurements				
Return on plan assets in excess of interest income on fair value of assets	**955**	(351)	**8**	2
Actuarial (loss) gain on benefit obligation	**(959)**	278	**(53)**	40
Change in the asset limitation	**(146)**	139	**–**	–
Gains (losses) recorded in OCI (C)	**$ (150)**	$ 66	**$ (45)**	$ 42
Total benefit cost (A + B - C)	**$ 519**	$ 289	**$ 139**	$ 40
Additional details on actual return on assets and actuarial gains and (losses)				
Actual (return) on assets (net of administrative expenses)	**$ (1,436)**	$ (117)	**$ (19)**	$ (14)
Actuarial gains and (losses) from changes in demographic assumptions	**7**	(40)	**–**	7
Actuarial gains and (losses) from changes in financial assumptions	**(952)**	406	**(53)**	28
Actuarial gains and (losses) from changes in experience	**(14)**	(88)	**(6)**	7
Additional details on fair value of pension plan assets invested				
In Scotiabank securities (stock, bonds)	**67**	57	**–**	–
In property occupied by Scotiabank	**4**	4	**–**	–
Change in asset ceiling/(onerous liability)				
Asset ceiling /onerous liability at end of prior year	**55**	176	**–**	–
Interest expense	**6**	19	**–**	–
Remeasurements	**146**	(139)	**–**	–
Foreign exchange	**1**	(1)	**–**	–
Asset ceiling /onerous liability at end of year	**$ 208**	$ 55	**$ –**	$ –

(1) The recognized asset is limited by the present value of economic benefits available from a reduction in future contributions to a plan and from the ability to pay plan expenses from the fund.

e) Maturity profile of the defined benefit obligation

The weighted average duration of the total benefit obligation at October 31, 2024 is 13.6 years (2023 – 12.9 years).

For the year ended October 31	Pension plans 2024	Pension plans 2023	Other benefit plans 2024	Other benefit plans 2023
Disaggregation of the benefit obligation (%)				
Canada				
Active members	**51%**	48%	**3%**	3%
Inactive and retired members	**49%**	52%	**97%**	97%
Total	**100%**	100%	**100%**	100%
Mexico				
Active members	**28%**	27%	**32%**	35%
Inactive and retired members	**72%**	73%	**68%**	65%
Total	**100%**	100%	**100%**	100%
United States				
Active members	**31%**	39%	**43%**	41%
Inactive and retired members	**69%**	61%	**57%**	59%
Total	**100%**	100%	**100%**	100%

f) Key assumptions (%)

The key weighted-average assumptions used by the Bank for the measurement of the benefit obligation and benefit expense for all of the Bank's principal plans are summarized as follows:

For the year ended October 31	Pension plans 2024	Pension plans 2023	Other benefit plans 2024	Other benefit plans 2023
Benefit obligation at end of year				
Discount rate – all plans	**5.22%**	6.13%	**6.51%**	7.36%
Discount rate – Canadian plans only	**4.80%**	5.70%	**4.69%**	5.80%
Rate of increase in future compensation[1]	**3.85%**	3.96%	**4.37%**	4.61%
Benefit expense (income) for the year				
Discount rate – All plans				
Discount rate for defined benefit obligations	**6.13%**	5.77%	**7.36%**	7.01%
Discount rate for net interest cost	**6.13%**	5.76%	**7.36%**	6.96%
Discount rate for service cost	**6.06%**	5.80%	**7.31%**	7.09%
Discount rate for interest on service cost	**6.07%**	5.71%	**7.27%**	7.09%
Discount rate – Canadian plans only				
Discount rate for defined benefit obligations	**5.70%**	5.41%	**5.80%**	5.40%
Discount rate for net interest cost	**5.70%**	5.40%	**5.80%**	5.31%
Discount rate for service cost	**5.60%**	5.41%	**5.62%**	5.49%
Discount rate for interest on service cost	**5.61%**	5.30%	**5.53%**	5.49%
Rate of increase in future compensation[1]	**3.96%**	3.90%	**4.61%**	4.67%
Health care cost trend rates at end of year				
Initial rate	**n/a**	n/a	**5.72%**	5.68%
Ultimate rate	**n/a**	n/a	**4.71%**	4.93%
Year ultimate rate reached	**n/a**	n/a	**2041**	2040
Assumed life expectancy in Canada (years)				
Life expectancy at 65 for current pensioners – male	**23.6**	23.6	**23.6**	23.6
Life expectancy at 65 for current pensioners – female	**24.7**	24.7	**24.7**	24.7
Life expectancy at 65, for future pensioners currently aged 45 – male	**24.5**	24.5	**24.5**	24.5
Life expectancy at 65, for future pensioners currently aged 45 – female	**25.6**	25.6	**25.6**	25.6
Assumed life expectancy in Mexico (years)				
Life expectancy at 65 for current pensioners – male	**21.6**	21.6	**21.6**	21.6
Life expectancy at 65 for current pensioners – female	**24.0**	23.9	**24.0**	23.9
Life expectancy at 65, for future pensioners currently aged 45 – male	**21.7**	21.6	**21.7**	21.6
Life expectancy at 65, for future pensioners currently aged 45 – female	**24.0**	24.0	**24.0**	24.0
Assumed life expectancy in United States (years)				
Life expectancy at 65 for current pensioners – male	**22.0**	22.0	**22.0**	22.0
Life expectancy at 65 for current pensioners – female	**23.5**	23.4	**23.5**	23.4
Life expectancy at 65, for future pensioners currently aged 45 – male	**23.4**	23.3	**23.4**	23.3
Life expectancy at 65, for future pensioners currently aged 45 – female	**24.8**	24.8	**24.8**	24.8

(1) The weighted-average rates of increase in future compensation shown for other benefit plans do not include Canadian flexible post-retirement benefits plans established in fiscal 2005, as they are not impacted by future compensation increases.

g) Sensitivity analysis

The sensitivity analysis represents the impact of a change in a single assumption with other assumptions left unchanged. For purposes of the sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the statement of financial position.

	Pension plans		Other benefit plans	
For the year ended October 31, 2024 ($ millions)	Benefit obligation	Benefit expense	Benefit obligation	Benefit expense
Impact of the following changes:				
1% decrease in discount rate	**$ 1,360**	**$ 98**	**$ 132**	**$ 6**
0.25% increase in rate of increase in future compensation	**72**	**3**	**–**	**–**
1% increase in health care cost trend rate	**n/a**	**n/a**	**99**	**12**
1% decrease in health care cost trend rate	**n/a**	**n/a**	**(82)**	**(10)**
1 year increase in Canadian life expectancy	**156**	**9**	**17**	**1**
1 year increase in Mexican life expectancy	**2**	**–**	**3**	**–**
1 year increase in the United States life expectancy	**2**	**–**	**3**	**–**

h) Assets

The Bank's principal pension plans' assets are generally invested with the long-term objective of maximizing overall expected returns, at an acceptable level of risk relative to the benefit obligation. A key factor in managing long-term investment risk is asset mix. Investing the pension assets across different asset classes and geographic regions helps to mitigate risk and to minimize the impact of declines in any single asset class, particular region or type of investment. Investment managers – including related-party managers – are typically hired and assigned specific mandates within each asset class.

Pension plan asset mix guidelines are set for the long term and are documented in each plan's investment policy. Asset mix policy typically also reflects the nature of the plan's benefit obligations. Legislation places certain restrictions on asset mix – for example, there are usually limits on concentration in any one investment. Other concentration and quality limits are also set forth in the investment policies. Derivatives cannot be used without specific authorization; currently, the main uses of derivatives are for duration management and currency hedging. Asset mix guidelines are reviewed at least once each year, and adjusted, where appropriate, based on market conditions and opportunities. However, large asset class shifts are not common, and typically reflect a change in the pension plan's situation (e.g. plan amendments) and/or in the investment strategy. Actual asset mix is reviewed regularly and rebalancing back to target asset mix is considered – as needed – generally on a semi-annual basis. The Bank's other benefit plans are generally not funded, with the exception of certain programs in Mexico.

The tables below show the weighted-average actual and target asset allocations for the Bank's principal plans at October 31, by asset category.

	Pension plans		Other benefit plans	
Asset category %	**Actual 2024**	Actual 2023	**Actual 2024**	Actual 2023
Cash and cash equivalents	**2%**	3%	**–%**	1%
Equity investments				
Quoted in an active market	**43%**	39%	**12%**	34%
Non quoted	**5%**	5%	**–%**	–%
	48%	44%	**12%**	34%
Fixed income investments				
Quoted in an active market	**10%**	5%	**87%**	61%
Non quoted	**29%**	35%	**–%**	–%
	39%	40%	**87%**	61%
Property				
Quoted in an active market	**–%**	–%	**1%**	4%
Non quoted	**1%**	1%	**–%**	–%
	1%	1%	**1%**	4%
Other				
Quoted in an active market	**–%**	–%	**–%**	–%
Non quoted	**10%**	12%	**–%**	–%
	10%	12%	**–%**	–%
Total	**100%**	100%	**100%**	100%

Target asset allocation at October 31, 2024 Asset category %	Pension plans	Other benefit plans
Cash and cash equivalents	**–%**	**–%**
Equity investments	**41%**	**12%**
Fixed income investments	**44%**	**87%**
Property	**1%**	**1%**
Other	**14%**	**–%**
Total	**100%**	**100%**

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30 Operating Segments

Scotiabank is a diversified financial services institution that provides a wide range of financial products and services to retail, commercial and corporate customers around the world. The Bank's businesses are grouped into four business lines: Canadian Banking, International Banking, Global Banking and Markets and Global Wealth Management. Other smaller business segments are included in the Other segment. The results of these business segments are based upon the internal financial reporting systems of the Bank. The accounting policies used in these segments are generally consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 3. Notable accounting measurement differences are:

- tax normalization adjustments related to the gross-up of income from associated corporations. This adjustment normalizes the effective tax rate in the divisions to better present the contribution of the associated companies to the divisional results.
- the grossing up of tax-exempt net interest income and non-interest income to an equivalent before-tax basis for those affected segments.

These differences in measurement enable comparison of net interest income and non-interest income arising from taxable and tax-exempt sources.

Scotiabank's results, and average assets and liabilities, allocated by these operating segments, are as follows:

For the year ended October 31, 2024

Taxable equivalent basis ($ millions)	Canadian Banking[1][2]	International Banking[1][2]	Global Wealth Management[1]	Global Banking and Markets[1]	Other[1][3]	Total[2]
Net interest income[4]	$ 10,842	$ 8,889	$ 936	$ 1,441	$ (2,856)	$ 19,252
Non-interest income[5][6]	2,848	3,100	4,826	3,972	(328)	14,418
Total revenues	13,690	11,989	5,762	5,413	(3,184)	33,670
Provision for credit losses	1,691	2,285	27	47	1	4,051
Depreciation and amortization[7]	568	568	187	258	179	1,760
Other non-interest expenses	5,550	5,563	3,423	2,941	458	17,935
Income tax expense	1,607	734	539	479	(1,327)	2,032
Net income	$ 4,274	$ 2,839	$ 1,586	$ 1,688	$ (2,495)	$ 7,892
Net income attributable to non-controlling interests in subsidiaries	–	125	10	–	(1)	134
Net income attributable to equity holders of the Bank	$ 4,274	$ 2,714	$ 1,576	$ 1,688	$ (2,494)	$ 7,758
Average assets ($ billions)	449	232	35	495	208	1,419
Average liabilities ($ billions)	389	180	40	475	254	1,338

(1) Business line revenues and provision for income taxes are reported on a taxable equivalent basis, with the offset in the Other segment. Effective January 1, 2024, the Bank no longer claims the dividend received deduction on Canadian shares that are mark-to-market property, which has resulted in a lower TEB gross-up for fiscal 2024.
(2) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(3) Includes all other smaller operating segments and corporate adjustments, such as the elimination of the tax-exempt income gross-up reported in net interest income and non-interest income and provision for income taxes for the year ended October 31, 2024 amounting to $55 to arrive at the amounts reported in the Consolidated Statement of Income, differences in the actual amount of costs incurred and charged to the operating segments.
(4) Interest income is reported net of interest expense as management relies primarily on net interest income as a performance measure.
(5) Card revenues and Banking services fees are mainly earned in Canadian and International Banking. Mutual fund, Brokerage fees and Investment management and trust fees are primarily earned in Global Wealth Management. Underwriting and other advisory fees are predominantly earned in Global Banking and Markets.
(6) Includes net income (on a taxable equivalent basis) from investments in associated corporations for Canadian Banking – $99; International Banking – $248; Global Wealth Management – $18; and Other – $(59).
(7) Includes impairment charge on software intangible assets in the Other segment.

For the year ended October 31, 2023

Taxable equivalent basis ($ millions)	Canadian Banking[1][2]	International Banking[1][2]	Global Wealth Management[1]	Global Banking and Markets[1]	Other[1][3]	Total[2]
Net interest income[4]	$ 9,761	$ 8,131	$ 842	$ 1,572	$ (2,044)	$ 18,262
Non-interest income[5][6]	3,046	2,910	4,449	3,980	(433)	13,952
Total revenues	12,807	11,041	5,291	5,552	(2,477)	32,214
Provision for credit losses	1,443	1,868	10	101	–	3,422
Depreciation and amortization[7]	583	563	179	221	274	1,820
Other non-interest expenses	5,283	5,356	3,171	2,841	650	17,301
Income tax expense	1,514	699	491	621	(1,104)	2,221
Net income	$ 3,984	$ 2,555	$ 1,440	$ 1,768	$ (2,297)	$ 7,450
Net income attributable to non-controlling interests in subsidiaries	–	106	9	–	(3)	112
Net income attributable to equity holders of the Bank	$ 3,984	$ 2,449	$ 1,431	$ 1,768	$ (2,294)	$ 7,338
Average assets ($ billions)	450	237	34	490	185	1,396
Average liabilities ($ billions)	372	179	40	455	273	1,319

(1) Business line revenues and provision for income taxes are reported on a tax equivalent basis.
(2) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(3) Includes all other smaller operating segments and corporate adjustments, such as the elimination of the tax-exempt income gross-up reported in net interest income and non-interest income and provision for income taxes for the year ended October 31, 2023 amounting to $473 to arrive at the amounts reported in the Consolidated Statement of Income, differences in the actual amount of costs incurred and charged to the operating segments.
(4) Interest income is reported net of interest expense as management relies primarily on net interest income as a performance measure.
(5) Card revenues and Banking services fees are mainly earned in Canadian and International Banking. Mutual fund, Brokerage fees and Investment management and trust fees are primarily earned in Global Wealth Management. Underwriting and other advisory fees are predominantly earned in Global Banking and Markets.
(6) Includes net income (on a taxable equivalent basis) from investments in associated corporations for Canadian Banking – $92; International Banking – $250; Global Wealth Management – $18; Global Banking and Markets – $3; and Other – $(188).
(7) Includes impairment charge on software and other intangible assets in the Other segment.

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Geographical segmentation

The following table summarizes the Bank's financial results by geographic region. Revenues and expenses which have not been allocated back to specific operating business lines are reflected in corporate adjustments.

For the year ended October 31, 2024[1] ($ millions)	Canada	United States	Mexico	Peru	Chile	Colombia	Caribbean and Central America	Other International	Total
Net interest income	**$ 8,933**	**$ 870**	**$ 2,397**	**$ 1,425**	**$ 2,020**	**$ 690**	**$ 1,849**	**$ 1,068**	**$ 19,252**
Non-interest income[2]	**8,535**	**1,588**	**996**	**530**	**433**	**479**	**1,180**	**677**	**14,418**
Total revenues[3]	**17,468**	**2,458**	**3,393**	**1,955**	**2,453**	**1,169**	**3,029**	**1,745**	**33,670**
Provision for credit losses	**1,701**	**28**	**380**	**501**	**626**	**561**	**150**	**104**	**4,051**
Non-interest expenses	**11,198**	**1,383**	**1,610**	**741**	**969**	**723**	**1,440**	**1,631**	**19,695**
Income tax expense	**951**	**182**	**337**	**170**	**156**	**(33)**	**306**	**(37)**	**2,032**
Net income	**3,618**	**865**	**1,066**	**543**	**702**	**(82)**	**1,133**	**47**	**7,892**
Net income attributable to non-controlling interests in subsidiaries	**–**	**–**	**24**	**3**	**42**	**(50)**	**115**	**–**	**134**
Net income attributable to equity holders of the Bank	**$ 3,618**	**$ 865**	**$ 1,042**	**$ 540**	**$ 660**	**$ (32)**	**$ 1,018**	**$ 47**	**$ 7,758**
Total average assets ($ billions)	**$ 874**	**$ 218**	**$ 64**	**$ 27**	**$ 56**	**$ 14**	**$ 35**	**$ 131**	**$ 1,419**
Total average liabilities ($ billions)	**$ 854**	**$ 189**	**$ 59**	**$ 21**	**$ 53**	**$ 14**	**$ 32**	**$ 116**	**$ 1,338**

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) Includes net income from investments in associated corporations for Canada – $68), Mexico – $11, Peru – $4, Chile – $5, Caribbean and Central America – $109, and Other International – $136.
(3) Revenues are attributed to countries based on where services are performed or assets are recorded.

For the year ended October 31, 2023[1] ($ millions)	Canada	United States	Mexico	Peru	Chile	Colombia	Caribbean and Central America	Other International	Total
Net interest income	$ 8,535	$ 1,019	$ 2,168	$ 1,320	$ 1,830	$ 564	$ 1,743	$ 1,083	$ 18,262
Non-interest income[2]	8,597	1,351	865	451	593	418	1,126	551	13,952
Total revenues[3]	17,132	2,370	3,033	1,771	2,423	982	2,869	1,634	32,214
Provision for credit losses	1,492	59	270	404	604	392	123	78	3,422
Non-interest expenses	10,982	1,246	1,488	727	1,014	661	1,427	1,576	19,121
Income tax expense	1,041	276	312	162	135	(21)	300	16	2,221
Net income	3,617	789	963	478	670	(50)	1,019	(36)	7,450
Net income attributable to non-controlling interests in subsidiaries	(3)	–	22	1	18	(34)	108	–	112
Net income attributable to equity holders of the Bank	$ 3,620	$ 789	$ 941	$ 477	$ 652	$ (16)	$ 911	$ (36)	$ 7,338
Total average assets ($ billions)	$ 844	$ 215	$ 58	$ 28	$ 61	$ 14	$ 34	$ 142	$ 1,396
Total average liabilities ($ billions)	$ 832	$ 180	$ 53	$ 21	$ 59	$ 12	$ 31	$ 131	$ 1,319

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) Includes net income from investments in associated corporations for Canada – $(115), Peru – $3, Chile – $10, Colombia – $(2), Caribbean and Central America – $117, and Other International – $140.
(3) Revenues are attributed to countries based on where services are performed or assets are recorded.

31 Related Party Transactions

Compensation of key management personnel of the Bank

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, and comprise the directors of the Bank, the President and Chief Executive Officer, certain direct reports of the President and Chief Executive Officer and Group Heads.

For the year ended October 31 ($ millions)	2024	2023
Salaries and cash incentives[1]	**$ 25**	$ 23
Equity-based payment[2]	**29**	32
Pension and other benefits[1]	**2**	2
Total	**$ 56**	$ 57

(1) Expensed during the year.
(2) Awarded during the year.

Directors can use some or all of their director fees earned to buy common shares of the Bank at market rates through the Director's Share Purchase Plan. Non-officer directors may elect to receive all or a portion of their fees in the form of deferred stock units which vest immediately. Refer to Note 27 for further details of these plans.

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Loans and deposits of key management personnel

As at October 31 ($ millions)	2024	2023
Loans	**$ 10**	$ 13
Deposits	**5**	6

The Bank's committed credit exposure to companies controlled by directors totaled $267 million as at October 31, 2024 (October 31, 2023 – $266 million), while actual utilized amounts were $199 million (October 31, 2023 – $165 million).

Transactions with associates and joint ventures

In the ordinary course of business, the Bank provides normal banking services and enters into transactions with its associated and other related corporations on terms similar to those offered to non-related parties. If these transactions are eliminated on consolidation, they are not disclosed as related party transactions. Transactions between the Bank and its associated companies and joint ventures also qualify as related party transactions and were recorded as follows:

As at and for the year ended October 31 ($ millions)	2024	2023
Net income / (loss)	**$ (15)**	$ (22)
Loans	**209**	209
Deposits	**253**	277
Guarantees and commitments	**46**	55

Scotiabank principal pension plan

The Bank manages assets of $6.0 billion (October 31, 2023 – $5.2 billion) which is a portion of the Scotiabank principal pension plan assets and earned $6.7 million (October 31, 2023 – $6.9 million) in fees.

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32 Principal Subsidiaries and Non-Controlling Interests in Subsidiaries

(a) Principal subsidiaries[1]

The following table presents certain operating subsidiaries the Bank owns, directly or indirectly. All of these subsidiaries are included in the Bank's consolidated financial statements.

As at October 31 ($ millions)	Principal office	Carrying value of shares 2024[2]	2023[2]
Canadian			
Scotia Capital Inc.	Toronto, Ontario	**$ 4,160**	$ 3,723
BNS Investments Inc.	Toronto, Ontario	**23,860**	22,925
1832 Asset Management L.P.	Toronto, Ontario		
Montreal Trust Company of Canada	Montreal, Quebec		
MD Financial Management Inc.	Ottawa, Ontario	**2,826**	2,711
Jarislowsky, Fraser Limited	Montreal, Quebec	**956**	997
Scotia Securities Inc.	Toronto, Ontario	**73**	63
Tangerine Bank	Toronto, Ontario	**4,154**	4,529
The Bank of Nova Scotia Trust Company	Toronto, Ontario	**704**	610
Scotia Mortgage Corporation	Toronto, Ontario	**843**	780
National Trust Company	Stratford, Ontario	**408**	388
Roynat Inc.	Calgary, Alberta	**741**	674
Scotia Dealer Advantage Inc.	Hamilton, Ontario	**924**	912
International			
Scotia Holdings (USA) LLC[3]	New York, New York	**7,654**	7,218
Scotia Capital (USA) Inc.	New York, New York		
Scotia Financing (USA) LLC	New York, New York		
Nova Scotia Inversiones Limitada	Santiago, Chile	**7,489**	7,423
Scotiabank Chile S.A. (99.79%)	Santiago, Chile		
Grupo Financiero Scotiabank Inverlat, S.A. de C.V. (97.39%)	Mexico City, Mexico	**6,966**	6,812
Scotiabank Inverlat, S.A.	Mexico City, Mexico		
Scotia Peru Holdings S.A.	Lima, Peru	**5,779**	5,700
Scotiabank Peru S.A.A. (99.31%)	Lima, Peru		
Multiacciones S.A.S.	Bogota, Colombia	**973**	1,100
Scotiabank Colpatria, S.A. (55.98%)[4]	Bogota, Colombia		
Scotiabank Brasil S.A. Banco Multiplo	Sao Paulo, Brazil	**796**	914
Scotia Uruguay Holdings S.A.	Montevideo, Uruguay	**681**	585
Scotiabank Uruguay S.A.	Montevideo, Uruguay		
Scotiabank Republica Dominicana, S.A. – Banco Multiple (99.80%)	Santo Domingo, Dominican Republic	**943**	934
Scotiabank Caribbean Holdings Ltd.	Bridgetown, Barbados	**1,608**	1,527
Scotia Group Jamaica Limited (71.78%)	Kingston, Jamaica		
Scotiabank Trinidad and Tobago Limited (50.90%)	Port of Spain, Trinidad and Tobago		
Scotiabank (Barbados) Limited	Bridgetown, Barbados	**237**	307
BNS International (Bahamas) Limited	Nassau, Bahamas	**11,180**	13,842
The Bank of Nova Scotia Trust Company (Bahamas) Limited	Nassau, Bahamas		
Scotiabank (Bahamas) Limited	Nassau, Bahamas		
Scotiabank & Trust (Cayman) Ltd.	Grand Cayman, Cayman Islands		
Grupo BNS de Costa Rica, S.A.	San Jose, Costa Rica		
Scotiabank (Ireland) Designated Activity Company	Dublin, Ireland		

(1) The Bank (or immediate parent of an entity) owns 100% of the outstanding voting shares of each subsidiary unless otherwise noted.
(2) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4.
(3) Effective July 1, 2023, Scotia Holdings (U.S.) Inc. converted to a Limited Liability Company and changed its name to Scotia Holdings (USA) LLC.
(4) The Bank made a capital contribution to Scotiabank Colpatria S.A. in July 2023 which increased its ownership interest to 55.98% following the subsequent issuance of additional shares.

Subsidiaries may have a different reporting date from that of the Bank of October 31. Dates may differ for a variety of reasons including local reporting requirements or tax laws. In accordance with the Bank's accounting policies, for the purpose of inclusion in the consolidated financial statements of the Bank, adjustments are made where significant for subsidiaries with different reporting dates.

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(b) Non-controlling interests in subsidiaries

The Bank's significant non-controlling interests in subsidiaries are comprised of the following entities:

		As at and for the year ended			
		2024[1]		2023[1]	
	Non-controlling interest %	Non-controlling interests in subsidiaries	Dividends paid to non-controlling interest	Non-controlling interests in subsidiaries	Dividends paid to non-controlling interest
Scotiabank Chile S.A.	**0.21% – 49.10%**	**$ 256**	**$ 24**	$ 248	$ 17
Scotiabank Colpatria S.A.[2][3]	**44.02%**	**405**	**–**	483	–
Scotia Group Jamaica Limited	**28.22%**	**350**	**13**	326	11
Scotiabank Trinidad and Tobago Limited	**49.10%**	**464**	**49**	449	53
Other	**0.0005% – 49.35%[4]**	**232**	**2**	223	20
Total		**$ 1,707**	**$ 88**	$ 1,729	$ 101

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4 of the consolidated financial statements.
(2) Non-controlling interest holders for Scotiabank Colpatria S.A. have a right to sell their holding to the Bank after the end of the 7th anniversary (January 17, 2019) and at subsequent pre-agreed intervals, into the future, at fair market value that can be settled at the Bank's discretion, by issuance of common shares or cash.
(3) The Bank made a capital contribution to Scotiabank Colpatria S.A. in July 2023 which increased its ownership interest to 55.98% following the subsequent issuance of additional shares.
(4) Range of non-controlling interest % for other subsidiaries.

Summarized financial information of the Bank's subsidiaries with significant non-controlling interests are as follows:

	As at and for the year ended October 31, 2024				As at and for the year ended October 31, 2023			
($ millions)	Revenue	Total comprehensive income (loss)	Total assets	Total liabilities	Revenue	Total comprehensive income (loss)	Total assets	Total liabilities
Total	**$ 4,455**	**$ 226**	**$ 93,051**	**$ 82,223**	$ 4,176	$ 1,901	$ 102,652	$ 91,928

33 Interest Income and Expense

For the year ended October 31 ($ millions)	**2024[1]**		2023[1]	
	Interest income	Interest expense	Interest income	Interest expense
Measured at amortized cost[2]	**$ 53,966**	**$ 42,177**	$ 51,013	$ 38,348
Measured at FVOCI[2]	**5,905**	**–**	3,811	–
	59,871	**42,177**	54,824	38,348
Other	**1,788[3]**	**230[4]**	2,000[3]	214[4]
Total	**$ 61,659**	**$ 42,407**	$ 56,824	$ 38,562

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4.
(2) The interest income/expense on financial assets/liabilities are calculated using the effective interest method.
(3) Includes dividend income on equity securities.
(4) Includes interest on lease liabilities of $119 (2023 – $114) and insurance finance expense of $30 (2023 – $25).

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34 Earnings Per Share

For the year ended October 31 ($ millions)	2024[1]	2023[1]
Basic earnings per common share		
Net income attributable to common shareholders	**$ 7,286**	$ 6,919
Weighted average number of common shares outstanding (millions)	**1,226**	1,197
Basic earnings per common share[2] (in dollars)	**$ 5.94**	$ 5.78
Diluted earnings per common share		
Net income attributable to common shareholders	**$ 7,286**	$ 6,919
Dilutive impact of share-based payment options and others[3]	**(49)**	(36)
Net income attributable to common shareholders (diluted)	**$ 7,237**	$ 6,883
Weighted average number of common shares outstanding (millions)	**1,226**	1,197
Dilutive impact of share-based payment options and others[3] (millions)	**6**	7
Weighted average number of diluted common shares outstanding (millions)	**1,232**	1,204
Diluted earnings per common share[2] (in dollars)	**$ 5.87**	$ 5.72

(1) The Bank adopted IFRS 17 effective November 1, 2023. As required under the new accounting standard, prior period amounts have been restated. Refer to Note 4.
(2) Earnings per share calculations are based on full dollar and share amounts.
(3) Certain options as well as acquisition-related put/call options that the Bank may settle at its own discretion by issuing common shares were not included in the calculation of diluted earnings per share as they were anti-dilutive.

35 Guarantees, Commitments and Pledged Assets

(a) Guarantees

The Bank enters into various types of guarantees and indemnifications in the normal course of business. Guarantees represent an undertaking to another party to make a payment to that party when certain specified events occur. The various guarantees and indemnifications that the Bank provides with respect to its customers and other third parties are presented below:

As at October 31 ($ millions)	2024 Maximum potential amount of future payments[1]	2023 Maximum potential amount of future payments[1]
Standby letters of credit and letters of guarantee	**$ 62,966**	$ 48,417
Liquidity facilities	**7,665**	7,060
Indemnifications	**791**	940

(1) The maximum potential amount of future payments represents those guarantees that can be quantified and excludes other guarantees that cannot be quantified. As many of these guarantees will not be drawn upon and the maximum potential amount of future payments listed above does not consider the possibility of recovery under recourse or collateral provisions, the above amounts are not indicative of future cash requirements, credit risk, or the Bank's expected losses from these arrangements.

(i) Standby letters of credit and letters of guarantee

Standby letters of credit and letters of guarantee are irrevocable undertakings by the Bank on behalf of a customer, to make payments to a third party in the event that the customer is unable to meet its obligations to the third party. Generally, the term of these guarantees does not exceed four years. The types and amounts of collateral security held by the Bank for these guarantees is generally the same as for loans.

(ii) Liquidity facilities

The Bank's backstop liquidity facilities are committed liquidity and provided to asset-backed commercial paper conduits, administered by the Bank. These facilities generally provide an alternative source of financing in the event market disruption prevents the conduit from issuing commercial paper or, in some cases, when certain specified conditions or performance measures are not met. These facilities generally have a term of up to three years.

(iii) Indemnifications

In the ordinary course of business, the Bank enters into many contracts which contain indemnification provisions, such as purchase contracts, service agreements, trademark licensing agreements, director / officer contracts, escrow arrangements, sales of assets or businesses, outsourcing agreements, leasing arrangements, clearing system arrangements, securities lending agency agreements and structured transactions. The Bank cannot estimate the maximum potential future amount that may be payable. The Bank has not made any significant payments under such indemnifications.

(b) Other indirect commitments

In the normal course of business, various other indirect commitments are outstanding which are not reflected on the Consolidated Statement of Financial Position. These may include:

- Commercial letters of credit which require the Bank to honour drafts presented by a third-party when specific activities are completed;
- Commitments to extend credit which represent undertakings to make credit available in the form of loans or other financings for specific amounts and maturities, subject to specific conditions;
- Securities lending transactions under which the Bank, acting as principal or agent, agrees to lend securities to a borrower. The borrower must fully collateralize the security loan at all times. The market value of the collateral is monitored relative to the amounts due under the agreements, and where necessary, additional collateral is obtained; and
- Security purchase commitments which require the Bank to fund future investments.

These financial instruments are subject to normal credit standards, financial controls and monitoring procedures.

The table below provides a detailed breakdown of the Bank's other indirect commitments expressed in terms of the contractual amounts of the related commitment or contract which are not reflected on the Consolidated Statement of Financial Position.

As at October 31 ($ millions)	2024	2023
Commercial letters of credit	**$ 1,049**	$ 695
Commitments to extend credit[1]		
Original term to maturity of one year or less	**30,304**	61,338
Original term to maturity of more than one year	**242,489**	222,705
Securities lending	**58,477**	56,174
Securities purchase and other commitments	**844**	736
Total	**$ 333,163**	$ 341,648

(1) Includes liquidity facilities, and excludes commitments which are unconditionally cancellable at the Bank's discretion at any time.

(c) Assets pledged and repurchase agreements

In the ordinary course of business, securities and other assets are pledged against liabilities. As well, securities are sold under repurchase agreements. The carrying value of pledged assets and details of related activities are shown below.

As at October 31 ($ millions)	2024	2023
Assets pledged to:		
Bank of Canada[1]	**$ 229**	$ 133
Foreign governments and central banks[1]	**2,020**	763
Clearing systems, payment systems and depositories[1]	**2,460**	1,810
Assets pledged in relation to exchange-traded derivative transactions	**5,334**	8,403
Assets pledged in relation to over-the-counter derivative transactions	**25,487**	26,871
Assets pledged as collateral related to securities borrowing and lending	**149,669**	150,698
Assets pledged in relation to covered bond program (Note 16)[2]	**47,560**	51,538
Assets pledged in relation to other securitization programs (Note 16)	**4,022**	3,169
Assets pledged under CMHC programs (Note 15)	**18,392**	22,108
Other	**228**	521
Total assets pledged	**$ 255,401**	$ 266,014
Obligations related to securities sold under repurchase agreements	**174,335**	140,296
Total[3]	**$ 429,736**	$ 406,310

(1) Includes assets pledged in order to participate in clearing and payment systems and depositories, or pledged to have access to the facilities of central banks in foreign jurisdictions.
(2) Excludes mortgages related to covered bonds held by the Bank or used for securities lending transactions.
(3) Includes assets that have been received from counterparties through normal course of business in securities financing and derivative transactions.

(d) Other executory contracts

Effective July 2018, the Bank has entered into an $800 million contract for naming rights of an arena for 20 years.

The Bank and its subsidiaries have also entered into other long-term executory contracts, relating to outsourced services. The significant outsourcing arrangements have variable pricing based on utilization and are cancellable with notice.

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36 Financial Instruments – Risk Management

The Bank's principal business activities result in a balance sheet that consists primarily of financial instruments. In addition, the Bank uses derivative financial instruments for both trading and hedging purposes. The principal financial risks that arise from transacting financial instruments include credit risk, liquidity risk and market risk. The Bank's framework to monitor, evaluate and manage these risks is consistent with that in place as at October 31, 2024:

- extensive risk management policies define the Bank's risk appetite, set the limits and controls within which the Bank and its subsidiaries can operate, and reflect the requirements of regulatory authorities. Risk appetite is approved by the Bank's Board of Directors, either directly or through the Risk Committee of the Board (the Board);
- guidelines are developed to clarify risk limits and conditions under which the Bank's risk policies are implemented;
- processes are implemented to identify, evaluate, document, report and control risk. Standards define the breadth and quality of information required to make a decision; and
- compliance with risk policies, limits and guidelines is measured, monitored and reported to ensure consistency against defined goals.

Further details on the fair value of financial instruments and how these amounts were determined are provided in Note 8. Note 11 provides details on the terms and conditions of the Bank's derivative financial instruments including notional amounts, remaining term to maturity, credit risk, and fair values of derivatives used in trading and hedging activities.

(a) Credit risk

Credit risk is the risk of loss resulting from the failure of a borrower or counterparty to honour its financial or contractual obligations to the Bank. The Bank's Credit Risk Appetite and Credit Risk Policy are developed by its Global Risk Management (GRM) department and limits are reviewed and approved by the Board on an annual and biennial basis, respectively. The Credit Risk Appetite defines target markets and risk tolerances that are developed at an all-Bank level, and then further refined at the business line level. The objectives of the Credit Risk Appetite are to ensure that, for the Bank, including the individual business lines:

- target markets and product offerings are well defined;
- the risk parameters for new underwritings and for the portfolios as a whole are clearly specified; and
- transactions, including origination, syndication, loan sales and hedging, are managed in a manner to ensure the goals for the overall portfolio are met.

The Credit Risk Policy sets out, among other things, the credit risk rating systems and associated parameter estimates, the delegation of authority for granting credit, and the calculation of allowance for credit losses. It forms an integral part of enterprise-wide policies and procedures that encompass governance, risk management and control structure.

The Bank's credit risk rating systems are designed to support the determination of key credit risk parameter estimates which measure credit and transaction risk. For non-retail exposures, parameters are associated with each credit facility through the assignment of borrower and facility ratings. Borrower risk is evaluated using methodologies that are specific to particular industry sectors and/or business lines. The risk associated with facilities of a given borrower is assessed by considering the facilities' structural and collateral-related elements. For retail portfolios, product specific models assign accounts into homogeneous segments using internal and external borrower/facility-level credit experience. This process provides for a meaningful differentiation of risk and allows for appropriate and consistent estimation of loss characteristics at the model and segment level. Further details on credit risk relating to derivatives are provided in Note 11(c).

(i) Credit risk exposures

Credit risk exposures disclosed below are presented based on the Basel framework utilized by the Bank i.e., exposures subject to credit risk capital. The Bank uses the Internal Ratings Based approach (IRB) for all material Canadian, U.S., European portfolios, and for a significant portion of all international corporate and commercial portfolios. Under the Advanced Internal Ratings Based (AIRB) approach, the Bank uses internal risk parameter estimates, based on historical experience and appropriate margin of conservatism, for probability of default (PD), loss given default (LGD) and exposure at default (EAD). Under revised Basel III rules, there are new IRB requirements for internally developed model parameters under AIRB, including scope restrictions which limit certain asset classes to only the Foundation Internal Ratings Based (FIRB) approach. For those asset classes (e.g., Large Corporates, Banks, etc.) the FIRB approach utilizes the Bank's internally modeled PD parameters combined with internationally prescribed LGD and EAD parameters. The remaining portfolios, including other individual portfolios, are treated under the standardized approach.

Under the standardized approach, credit risk is estimated using the risk weights as prescribed by the Basel framework either based on credit assessments by external rating agencies or based on the counterparty type for non-retail exposures and product type for retail exposures. Standardized risk weights also take into account other factors such as specific provisions for defaulted exposures, eligible collateral, and loan-to-value for real estate secured retail exposures.

As at October 31 ($ millions)	2024[1]				2023[1]
	Exposure at default[2]				
Category	Drawn[3]	Undrawn commitments	Other exposures[4]	Total	Total
By counterparty type					
Non-retail					
IRB portfolio					
Corporate	**$ 204,357**	**$ 75,655**	**$ 77,588**	**$ 357,600**	$ 391,575
Bank	**17,153**	**14,446**	**25,049**	**56,648**	55,096
Sovereign	**245,009**	**3,350**	**10,499**	**258,858**	253,293
	466,519	**93,451**	**113,136**	**673,106**	699,964
Standardized portfolio					
Corporate	**42,169**	**5,094**	**18,112**	**65,375**	58,259
Bank	**2,760**	**310**	**143**	**3,213**	2,895
Sovereign	**23,878**	**156**	**286**	**24,320**	25,522
	68,807	**5,560**	**18,541**	**92,908**	86,676
Total non-retail	**$ 535,326**	**$ 99,011**	**$ 131,677**	**$ 766,014**	$ 786,640
Retail					
IRB portfolio					
Real estate secured	**$ 249,586**	**$ 56,809**	**$ –**	**$ 306,395**	$ 288,659
Qualifying revolving	**17,220**	**50,365**	**–**	**67,585**	58,679
Other retail	**33,666**	**4,999**	**–**	**38,665**	39,273
	300,472	**112,173**	**–**	**412,645**	386,611
Standardized portfolio					
Real estate secured	**63,468**	**104**	**–**	**63,572**	64,996
Other retail	**53,820**	**9,332**	**62**	**63,214**	60,440
	117,288	**9,436**	**62**	**126,786**	125,436
Total retail	**$ 417,760**	**$ 121,609**	**$ 62**	**$ 539,431**	$ 512,047
Total	**$ 953,086**	**$ 220,620**	**$ 131,739**	**$ 1,305,445**	$ 1,298,687
By geography[5]					
Canada	**$ 583,348**	**$ 161,659**	**$ 38,171**	**$ 783,178**	$ 766,005
United States	**141,510**	**35,889**	**60,802**	**238,201**	223,574
Chile	**52,760**	**3,983**	**3,436**	**60,179**	66,733
Mexico	**52,418**	**3,254**	**2,767**	**58,439**	62,296
Peru	**27,774**	**2,261**	**2,574**	**32,609**	32,467
Colombia	**13,033**	**1,278**	**704**	**15,015**	16,833
Other International					
Europe	**15,975**	**5,659**	**17,142**	**38,776**	43,281
Caribbean	**32,347**	**2,248**	**1,575**	**36,170**	33,974
Latin America (other)	**15,897**	**958**	**887**	**17,742**	21,672
All other	**18,024**	**3,431**	**3,681**	**25,136**	31,852
Total	**$ 953,086**	**$ 220,620**	**$ 131,739**	**$ 1,305,445**	$ 1,298,687

(1) Regulatory amounts reported in 2024 and 2023 are under Revised Basel III requirements.
(2) Exposure at default is presented after credit risk mitigation. Exposures exclude equity securities and other assets. Portfolios under the Standardized Approach are reported net of specific allowances for credit losses and net of collateral amounts treated under the Comprehensive Approach.
(3) Non-retail drawn includes loans, acceptances, deposits with financial institutions and FVOCI debt securities. Retail drawn includes residential mortgages, credit cards, lines of credit, other personal loans and small business treated as other regulatory retail.
(4) Other exposures include off-balance sheet lending instruments such as letters of credit, letters of guarantees, securitizations, derivatives and repo-style transactions (reverse repurchase agreements, repurchase agreements, securities lending and securities borrowing), net of related collateral.
(5) Geographic segmentation is based upon the location of the ultimate risk of the credit exposure.

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Consolidated Statement of Financial Position asset categories cross-referenced to credit risk exposures

The table below provides mapping of on-balance sheet asset categories that are included in the various Basel III exposure categories as presented in the credit risk exposure summary table of these consolidated financial statements. In addition, it also provides other exposures which are subject to market risk and/or other assets which are not subject to market and credit risk with a reconciliation to the Consolidated Statement of Financial Position. Commencing the first quarter of fiscal 2024, the Bank now calculates market risk capital based on the Standardized Approach under the new Fundamental Review of the Trading Book (FRTB) framework, including its Trading vs. Banking boundary requirements. Prior periods have not been restated to conform to the new FRTB requirements. The credit risk exposures on certain assets such as cash, precious metals, investment securities (equities) and other assets are not included in the credit risk exposure summary table. Also excluded from the credit risk exposures are certain trading assets and all assets of the Bank's insurance subsidiaries.

	Credit Risk Exposures						Other Exposures			
	Drawn		Other Exposures				Market Risk Exposures			
As at October 31, 2024 ($ millions)	Non-retail	Retail	Securitization	Repo-style Transactions	Derivative Financial Instruments	Equity	Also subject to Credit Risk		All Other[1]	Total
Cash and deposits with financial institutions	**$ 60,501**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ 3,359**	**$ 63,860**
Precious metals	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2,540**	**–**	**2,540**
Trading assets										
Securities	**331**	**–**	**–**	**–**	**–**	**–**	**–**	**119,581**	**–**	**119,912**
Loans	**933**	**–**	**–**	**–**	**–**	**–**	**569**	**6,716**	**–**	**7,649**
Other	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2,166**	**–**	**2,166**
Financial assets designated at fair value through profit or loss	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Securities purchased under resale agreements and securities borrowed	**–**	**–**	**–**	**200,543**	**–**	**–**	**–**	**–**	**–**	**200,543**
Derivative financial instruments	**–**	**–**	**–**	**–**	**44,379**	**–**	**39,736**	**–**	**–**	**44,379**
Investment securities	**147,607**	**–**	**–**	**–**	**–**	**5,008**	**–**	**–**	**217**	**152,832**
Loans:										
Residential mortgages[2]	**61,467**	**289,358**	**–**	**–**	**–**	**–**	**–**	**–**	**116**	**350,941**
Personal loans	**711**	**101,821**	**3,847**	**–**	**–**	**–**	**–**	**–**	**–**	**106,379**
Credit cards	**–**	**13,892**	**162**	**–**	**–**	**–**	**–**	**–**	**3,320**	**17,374**
Business & government	**261,903**	**12,904**	**17,627**	**–**	**–**	**–**	**–**	**–**	**237**	**292,671**
Allowances for credit losses[3]	**(363)**	**(1,170)**	**–**	**–**	**–**	**–**	**–**	**–**	**(5,003)**	**(6,536)**
Customers' liability under acceptances	**149**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1)**	**148**
Property and equipment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**5,252**	**5,252**
Investment in associates	**–**	**–**	**–**	**–**	**–**	**62**	**–**	**–**	**1,759**	**1,821**
Goodwill and other intangibles assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**16,853**	**16,853**
Other (including Deferred tax assets)	**5,968**	**1,220**	**–**	**343**	**–**	**–**	**–**	**448**	**25,264**	**33,243**
Total	**$ 539,207**	**$ 418,025**	**$ 21,636**	**$ 200,886**	**$ 44,379**	**$ 5,070**	**$ 40,305**	**$ 131,451**	**$ 51,373**	**$ 1,412,027**

(1) Includes the Bank's insurance subsidiaries' assets and all other assets which are not subject to credit and market risks.
(2) Includes $56.3 billion in mortgages guaranteed by Canada Mortgage Housing Corporation and federally backed privately insured mortgages.
(3) Amounts for IRB exposures are reported gross of allowances and amounts for standardized exposures are reported net of allowances.

	Credit Risk Exposures						Other Exposures			
	Drawn		Other Exposures				Market Risk Exposures			
As at October 31, 2023 ($ millions)	Non-retail	Retail	Securitization	Repo-style Transactions	Derivative Financial Instruments	Equity	Also subject to Credit Risk		All Other[1]	Total
Cash and deposits with financial institutions	$ 86,883	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ 3,429	$ 90,312
Precious metals	–	–	–	–	–	–	–	937	–	937
Trading assets										
Securities	–	–	–	–	–	–	–	107,614	(2)	107,612
Loans	584	–	–	–	–	–	433	6,960	–	7,544
Other	–	–	–	–	–	–	–	2,712	–	2,712
Financial assets designated at fair value through profit or loss	–	–	–	–	–	–	–	–	–	–
Securities purchased under resale agreements and securities borrowed	–	–	–	199,325	–	–	–	–	–	199,325
Derivative financial instruments	–	–	–	–	51,340	–	36,512	–	–	51,340
Investment securities	117,172	–	–	–	–	4,022	–	–	(2,957)	118,237
Loans:										
Residential mortgages[2]	65,381	278,688	–	–	–	–	–	–	113	344,182
Personal loans	800	99,214	4,156	–	–	–	–	–	–	104,170
Credit cards	–	14,100	251	–	–	–	–	–	2,758	17,109
Business & government	264,824	11,690	15,479	–	–	–	–	–	(171)	291,822
Allowances for credit losses[3]	(474)	(975)	–	–	–	–	–	–	(4,923)	(6,372)
Customers' liability under acceptances	18,718	–	–	–	–	–	–	–	(90)	18,628
Property and equipment	–	–	–	–	–	–	–	–	5,642	5,642
Investment in associates	–	–	–	–	–	59	–	–	1,866	1,925
Goodwill and other intangibles assets	–	–	–	–	–	–	–	–	17,193	17,193
Other (including Deferred tax assets)	7,129	1,170	–	237	–	–	–	–	29,935	38,471
Total	$ 561,017	$ 403,887	$ 19,886	$ 199,562	$ 51,340	$ 4,081	$ 36,945	$ 118,223	$ 52,793	$ 1,410,789

(1) Includes the Bank's insurance subsidiaries' assets and all other assets which are not subject to credit and market risks.
(2) Includes $60.2 billion in mortgages guaranteed by Canada Mortgage Housing Corporation and federally backed privately insured mortgages.
(3) Amounts for IRB exposures are reported gross of allowances and amounts for standardized exposures are reported net of allowances.

(ii) Credit quality of non-retail exposures

Credit decisions are made based upon an assessment of the credit risk of the individual borrower or counterparty. Key factors considered in the assessment include: the borrower's management; the borrower's current and projected financial results and credit statistics; the industry in which the borrower operates; economic trends; and geopolitical risk. Banking units and Global Risk Management also review the credit quality of the credit portfolio across the organization on a regular basis to assess whether economic trends or specific events may affect the performance of the portfolio.

The Bank's non-retail portfolio is well diversified by industry. As at October 31, 2024, and October 31, 2023, a significant portion of the authorized corporate and commercial lending portfolio was internally assessed at a grade that would generally equate to an investment grade rating by external rating agencies. There has not been a significant change in concentrations of credit risk since October 31, 2023.

Internal grades (IG) are used to differentiate the risk of default of a borrower. The following table cross references the Bank's internal borrower grades with equivalent ratings categories utilized by external rating agencies:

Cross referencing of internal ratings to external ratings[1]

Equivalent External Rating					
S&P and Fitch	Moody's	Morningstar DBRS		Internal Grade	Internal Grade Code	PD Range[2]
AAA to AA+	Aaa to Aa1	AAA to AA (high)			99 – 98	0.0000% – 0.0565%
AA to A+	Aa2 to A1	AA to A (high)			95	0.0565% – 0.0689%
A to A-	A2 to A3	A to A (low)		Investment grade	90	0.0689% – 0.0813%
BBB+	Baa1	BBB (high)			87	0.0813% – 0.1185%
BBB	Baa2	BBB			85	0.1185% – 0.1860%
BBB-	Baa3	BBB (low)			83	0.1860% – 0.2581%
BB+	Ba1	BB (high)			80	0.2581% – 0.3581%
BB	Ba2	BB			77	0.3581% – 0.6668%
BB-	Ba3	BB (low)		Non-Investment grade	75	0.6668% – 1.3555%
B+	B1	B (high)			73	1.3555% – 2.3298%
B to B-	B2 to B3	B to B (low)			70	2.3298% – 5.7966%
CCC+	Caa1	–			65	5.7966% – 14.9037%
CCC	Caa2	–		Watch list	60	14.9037% – 27.2859%
CCC- to CC	Caa3 to Ca	–			40	27.2859% – 46.7412%
–	–	–			30	46.7412% – 100.0000%
Default				Default	21	100%

(1) Applies to non-retail portfolio.
(2) PD Ranges as at October 31, 2024. The Range does not include the upper boundary for the row.

Non-retail IRB portfolio

The credit quality of the non-retail IRB portfolio, expressed in terms of risk categories of borrower internal grades is shown in the table below:

		2024[1]				2023[1]
		Exposure at Default[2]				
As at October 31 ($ millions) Category of internal grades	IG Code	Drawn	Undrawn commitments	Other exposures[3]	Total	Total
Investment grade	**99 – 98**	**$ 150,557**	**$ 1,521**	**$ 22,044**	**$ 174,122**	$ 171,655
	95	**35,852**	**12,679**	**22,751**	**71,282**	67,579
	90	**14,275**	**12,368**	**22,953**	**49,596**	63,244
	87	**30,694**	**16,237**	**16,768**	**63,699**	69,282
	85	**28,252**	**13,252**	**8,476**	**49,980**	58,705
	83	**48,999**	**13,854**	**6,489**	**69,342**	77,643
Non-Investment grade	**80**	**40,114**	**10,144**	**4,512**	**54,770**	54,968
	77	**29,630**	**6,880**	**4,219**	**40,729**	37,164
	75	**19,495**	**4,373**	**3,456**	**27,324**	26,291
	73	**8,142**	**1,253**	**745**	**10,140**	10,015
	70	**2,845**	**505**	**441**	**3,791**	3,226
Watch list	**65**	**1,258**	**193**	**141**	**1,592**	1,208
	60	**903**	**53**	**30**	**986**	1,225
	40	**672**	**111**	**106**	**889**	203
	30	**225**	**6**	**1**	**232**	106
Default	**21**	**1,287**	**22**	**4**	**1,313**	1,009
Total		**$ 413,200**	**$ 93,451**	**$ 113,136**	**$ 619,787**	$ 643,523
Government guaranteed residential mortgages[4]		**53,319**	**–**	**–**	**53,319**	56,441
Total		**$ 466,519**	**$ 93,451**	**$ 113,136**	**$ 673,106**	$ 699,964

(1) Regulatory amounts reported in 2024 and 2023 are under Revised Basel III requirements.
(2) After credit risk mitigation.
(3) Includes off-balance sheet lending instruments such as letters of credit, letters of guarantees, securitizations, derivatives and repo-style transactions (reverse repurchase agreements, repurchase agreements and securities lending and borrowing), net of related collateral.
(4) These exposures are classified as sovereign exposures and are included in the non-retail category.

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Non-retail standardized portfolio

The non-retail standardized portfolio relies on external credit ratings (e.g. S&P, Fitch, Morningstar DBRS, etc.) of the borrower, if available, to compute regulatory capital for credit risk. Exposures are risk weighted based on prescribed percentages and a mapping process as defined within OSFI's Capital Adequacy Requirements Guideline. Non-retail standardized portfolio as at October 31, 2024 comprised of drawn, undrawn and other exposures to corporate, bank and sovereign counterparties amounted to $93 billion (October 31, 2023 – $87 billion). Within this portfolio, the majority of Corporate/Commercial exposures are to unrated counterparties, mainly in Canada, U.S., Mexico, Chile, Peru and Colombia.

(iii) Credit quality of retail exposures

The Bank's retail portfolios consist of a number of relatively small loans to a large number of borrowers. The portfolios are distributed across Canada and a wide range of countries. As such, the portfolios inherently have a high degree of diversification. In addition, as of October 31, 2024, 24% of the Canadian banking residential mortgage portfolio is insured and the average loan-to-value ratio of the uninsured portion of the portfolio is 51%.

Retail AIRB portfolio

The data in the table below provides a distribution of the retail AIRB exposures within each PD range by asset class:

As at October 31 ($ millions)	2024[1]						2023[1]
	Exposure at default[2]						
		Real estate secured					
Category of (PD) grades	PD range	Mortgages	HELOC	Qualifying revolving	Other retail	Total	Total
Exceptionally Low[3]	**0.0000% – 0.0500%**	**$ 78,914**	**$ 53,982**	**$ 11,735**	**$ 612**	**$ 145,243**	$ 123,755
Very Low	**0.0501% – 0.1999%**	**93,065**	**19,270**	**29,997**	**6,587**	**148,919**	145,654
Low	**0.2000% – 0.9999%**	**40,708**	**5,502**	**12,655**	**20,146**	**79,011**	80,470
Medium Low	**1.0000% – 2.9999%**	**10,400**	**–**	**8,818**	**6,260**	**25,478**	24,230
Medium	**3.0000% – 9.9999%**	**28**	**617**	**3,349**	**3,530**	**7,524**	7,506
High	**10.0000% – 19.9999%**	**1,969**	**152**	**339**	**772**	**3,232**	1,882
Extremely High	**20.0000% – 99.9999%**	**971**	**134**	**583**	**575**	**2,263**	2,363
Default	**100%**	**568**	**115**	**109**	**183**	**975**	751
Total		**$ 226,623**	**$ 79,772**	**$ 67,585**	**$ 38,665**	**$ 412,645**	$ 386,611

(1) Regulatory amounts reported in 2024 and 2023 are under Revised Basel III requirements.
(2) After credit risk mitigation.
(3) OSFI revised the Retail Probability of Default floor from 0.03% to 0.05% in 2023, under the Revised Basel III framework.

Retail standardized portfolio

The retail standardized portfolio of $127 billion as at October 31, 2024 (2023 – $125 billion) was comprised of residential mortgages, personal loans, credit cards and lines of credit to individuals, mainly in the Latin American and Caribbean region. Of the total retail standardized exposures, $64 billion (2023 – $65 billion) was represented by mortgages and loans secured by residential real estate, mostly with a loan-to-value ratio of below 80%.

(iv) Collateral

Collateral held

In the normal course of business, to reduce its exposure to counterparty credit risk, the Bank receives collateral for capital markets related activities. The following are examples of the terms and conditions customary to collateral for these types of transactions:

- The risks and rewards of the pledged assets reside with the pledgor.
- Additional collateral is required when the market value of the transaction exceeds thresholds agreed upon with the pledgor.
- The Bank is normally permitted to sell or repledge the collateral it receives, although this right is specific to each agreement under which the collateral is pledged.
- Upon satisfaction of the obligation, the Bank must return the pledged assets, unless the Bank has the right to sell or repledge the collateral it receives, in which case the Bank must return comparable collateral to the pledgor.

As at October 31, 2024, the approximate market value of cash and securities collateral accepted that may be sold or repledged by the Bank was $359 billion (2023 – $315 billion). This collateral is held primarily in connection with reverse repurchase agreements, margin loans, securities lending and derivative transactions. The Bank also borrows securities under standard securities borrowing agreements that it is able to re-pledge. Including these borrowed securities, the approximate market value of securities collateral accepted that may be sold or re-pledged was $300 billion (2023 – $313 billion), of which approximately $60 billion was not sold or re-pledged (2023 – $75 billion).

Collateral pledged

In the normal course of business, securities and other assets are pledged to secure an obligation, participate in clearing or settlement systems, or operate in a foreign jurisdiction. Note 35(c) details the nature and extent of the Bank's asset pledging activities. Asset pledging transactions are conducted under terms that are common and customary to standard derivative, securities financing, and other borrowing activities. Standard risk management controls are applied with respect to asset pledging.

Assets acquired in exchange for loans

The carrying value of assets acquired in exchange for loans as at October 31, 2024 was $312 million (2023 – $334 million) mainly comprised of real estate and was classified as either held for sale or held for use as appropriate.

(b) Liquidity risk

Liquidity risk is the risk that the Bank is unable to meet its financial obligations in a timely manner at reasonable prices. The Bank's liquidity risk is subject to extensive risk management controls and is managed within the framework of policies and limits approved by the Board. The Board receives reports on risk exposures and performance against approved limits. The Asset-Liability Committee (ALCO) provides senior management oversight of liquidity risk.

The key elements of the Bank's liquidity risk management framework include:

- liquidity risk measurement and management limits, including limits on maximum net cash outflow by currency over specified short-term horizons;
- prudent diversification of its wholesale funding activities by using a number of different funding programs to access the global financial markets and manage its maturity profile, as appropriate;
- large holdings of liquid assets to support its operations, which can generally be sold or pledged to meet the Bank's obligations;
- liquidity stress testing, including Bank-specific, global-systemic, and combination systemic/Bank-specific scenarios; and
- liquidity contingency planning.

The Bank's foreign operations have liquidity management frameworks that are similar to the Bank's framework. Local deposits are managed from a liquidity risk perspective based on the local management frameworks and regulatory requirements.

(i) Commitments to extend credit

In the normal course of business, the Bank enters into commitments to extend credit in the form of loans or other financings for specific amounts and maturities, subject to specific conditions. These commitments, which are not reflected on the Consolidated Statement of Financial Position, are subject to normal credit standards, financial controls and monitoring procedures.

(ii) Derivative instruments

The Bank is subject to liquidity risk relating to its use of derivatives to meet customer needs, generate revenues from trading activities, manage market and credit risks arising from its lending, funding and investment activities, and lower its cost of capital. The maturity profile of the notional amounts of the Bank's derivative instruments is summarized in Note 11(b).

(c) Market risk

Market risk arises from changes in market prices and rates (including interest rates, credit spreads, equity prices, foreign exchange rates and commodity prices), the correlations between them, and their levels of volatility. Market risk is subject to extensive risk management controls, and is managed within the framework of market risk policies and limits approved by the Board. The ALCO and Market Risk Management and Policy Committee oversee the application of the framework set by the Board, and monitor the Bank's market risk exposures and the activities that give rise to these exposures.

The Bank uses a variety of metrics and models to measure and control market risk exposures. The measurements used are selected based on an assessment of the nature of risks in a particular activity. The principal measurement techniques are Value at Risk (VaR), stress testing, sensitivity analysis and simulation modeling. The Board reviews results from these metrics quarterly. Models are independently validated internally prior to implementation and are subject to formal periodic review.

VaR is a statistical measure that estimates the potential loss in value of the Bank's trading positions due to adverse market movements over a defined time horizon with a specified confidence level. The quality of the Bank's VaR is validated by regular back testing analysis, in which the VaR is compared to theoretical and actual profit and loss results. To complement VaR, the Bank also uses stress testing to examine the impact that abnormally large swings in market factors and periods of prolonged inactivity might have on trading portfolios. The stress testing program is designed to identify key risks and ensure that the Bank's capital can absorb potential losses from abnormal events. The Bank subjects its trading portfolios to a series of stress tests on a daily basis.

In trading portfolios, sensitivity analysis is used to measure the effect of changes in risk factors, including prices and volatility, on financial products and portfolios. In non-trading portfolios, sensitivity analysis assesses the effect of changes in interest rates on current earnings and on the economic value of equity. Simulation modeling under various scenarios is particularly important for managing risk in the deposit, lending and investment products the Bank offers to its retail customers.

(i) Non-trading interest rate risk

Interest rate risk is the risk of loss due to the following: changes in the level, slope and curvature of the yield curve; the volatility of interest rates and changes in customer preferences (e.g. mortgage prepayment rates). The Bank actively manages its interest rate exposures with the objective of protecting net interest income within established risk tolerances. Interest rate risk arising from the Bank's funding and investment activities is managed in accordance with Board-approved policies and global limits, which are designed to control the risk to net interest income and economic value of equity. The income limit measures the effect of a specified shift in interest rates on the Bank's annual net interest income over the next twelve months, while the economic value limit measures the impact of a specified change in interest rates on the present value of the Bank's net assets. These calculations are based on models that consider a number of inputs and are on a constant balance sheet and make no assumptions for management actions that may mitigate the risk.

Interest rate sensitivity

Based on the Bank's interest rate positions, the following table shows the pro-forma pre-tax impact on the Bank's net interest income over the next twelve months and economic value of equity of an immediate and sustained 100 basis points increase and decrease in interest rates across major currencies as defined by the Bank. These calculations are based on models that consider a number of inputs and are on a constant balance sheet and make no assumptions for management actions to mitigate the risk.

As at October 31 ($ millions)	2024						2023	
	Net interest income			Economic value of equity				
	Canadian dollar	Other currencies	Total	Canadian dollar	Other currencies	Total	Net interest income	Economic value of equity
100 bp increase	**$ 26**	**$ (47)**	**$ (21)**	**$ (332)**	**$ (1,006)**	**$ (1,338)**	$ (99)	$ (1,256)
100 bp decrease	**$ (63)**	**$ 32**	**$ (31)**	**$ 26**	**$ 754**	**$ 780**	$ 68	$ 824

(ii) Non-trading foreign currency risk

Foreign currency risk is the risk of loss due to changes in spot and forward rates, and the volatility of currency exchange rates. Non-trading foreign currency risk, also referred to as structural foreign exchange risk, arises primarily from the Bank's net investments in self-sustaining foreign operations and is controlled by a Board-approved limit. This limit considers potential volatility to shareholders' equity as well as the potential impact on capital ratios from foreign exchange fluctuations. On a quarterly basis, the Asset-Liability Committee (ALCO) reviews the Bank's exposures to these net investments. The Bank may fully or partially hedge this exposure by funding the investments in the same currency, or by using other financial instruments, including derivatives.

The Bank is subject to foreign currency risk on the earnings of its foreign operations. To manage this risk, foreign currency revenues and expenses, which are primarily denominated in U.S. dollars, are projected over a number of future fiscal quarters. The ALCO assesses economic data and forecasts to decide on the portion of the estimated future foreign currency revenues and expenses to hedge. Hedging instruments normally include foreign currency spot and forward contracts, as well as foreign currency options and swaps.

As at October 31, 2024, a one percent increase (decrease) in the Canadian dollar against all currencies in which the Bank operates decreases (increases) the Bank's before-tax annual earnings by approximately $45 million (October 31, 2023 – $63 million) in the absence of hedging activity, due primarily from exposure to U.S. dollars from the Bank's operations in the U.S. and activities conducted internationally in this currency and from exposures to Latin American currencies. A similar change in the Canadian dollar as at October 31, 2024 would increase (decrease) the unrealized foreign currency translation losses in the accumulated other comprehensive income in equity by approximately $324 million (2023 – $356 million), net of hedging.

(iii) Non-trading equity risk

Equity risk is the risk of loss due to adverse movements in equity prices. Equity price risk is often classified into two categories: general equity risk, which refers to the sensitivity of an instrument or portfolio's value to changes in the overall level of equity prices, and specific equity risk, which refers to that portion of an individual equity instrument's price volatility that is determined by entity-specific characteristics.

The Bank is exposed to equity risk through its equity investment portfolios, which are controlled by Board-approved portfolio and VaR limits. Equity investments include common and preferred shares, as well as a diversified portfolio of third-party managed funds.

The majority of the Bank's equity investment portfolios are managed by Group Treasury under the strategic direction of the ALCO. Group Treasury delegates the management of a portion of equity and equity-related portfolios to other external fund managers to take advantage of these fund managers' expertise in particular market niches and products.

The fair value of equity securities designated at FVOCI is shown in Note 13.

(iv) Trading portfolio risk management

The Bank's policies, processes and controls for trading activities are designed to achieve a balance between pursuing profitable trading opportunities and managing earnings volatility within a framework of sound and prudent practices. Trading activities are primarily customer focused.

Market risk arising from the Bank's trading activities is managed in accordance with Board-approved policies and limits, including the Enterprise VaR limit.

Trading portfolios are marked-to-market in accordance with the Bank's valuation policies. Positions are marked-to-market daily and valuations are independently reviewed by back office, GRM or finance units on a regular basis. These units also provide profit and loss reporting, as well as VaR and limit compliance reporting to business unit management and executive management for evaluation and action as appropriate. VaR is calculated daily using a 99% confidence level, and a one-day holding period. This means that, once in every 100 days, the trading positions are expected to lose more than the VaR estimate. The Bank calculates general market risk VaR using historical simulation based on 300 days of market data. In conjunction with the Bank's implementation of the Fundamental Review of the Trading Book (FRTB) in Q1 2024, additional portfolios have been included in the VaR calculation. Prior period has been revised to reflect this change. The table below shows the Bank's VaR by risk factor:

		For the year ended October 31, 2024			
($ millions)	**As at October 31, 2024**	Average	High	Low	As at October 31, 2023
Credit spread plus interest rate	**$ 12.5**	**$ 13.6**	**$ 34.3**	**$ 6.8**	$ 13.7
Credit spread	**7.3**	**8.4**	**13.6**	**5.9**	8.1
Interest rate	**17.5**	**12.3**	**26.9**	**5.8**	15.2
Equities	**5.4**	**5.1**	**10.1**	**3.0**	4.9
Foreign exchange	**2.9**	**3.2**	**9.4**	**1.1**	3.0
Commodities	**2.8**	**2.6**	**4.6**	**1.3**	2.9
Debt specific	**3.6**	**3.4**	**4.8**	**2.3**	3.7
Diversification effect	**(15.0)**	**(13.1)**	**n/a**	**n/a**	(11.0)
All-Bank VaR	**$ 12.1**	**$ 14.9**	**$ 24.2**	**$ 8.3**	$ 17.3

(d) Operational risk

Operational risk is the risk of loss resulting from people, inadequate processes and systems, or from external events. Operational risk includes third party risk, fraud risk and legal risk. It exists in some form in each of the Bank's business and support activities, and third parties with whom the Bank has entered a business or strategic arrangement for outsourcing activities, the provision of products or services, or other benefits. It can result in financial loss, regulatory sanctions and damage to the Bank's reputation. Operational risk management refers to the discipline of systematic identification, assessment, measurement, mitigation, monitoring, and reporting of operational risk.

Consolidated Financial Statements

37 Acquisitions and Divestitures

Acquisitions

Acquisition announced that is expected to close in a future period

KeyCorp

On August 12, 2024, the Bank announced an agreement to acquire an approximate 14.9% pro-forma ownership interest in KeyCorp for approximately U.S. $2.8 billion through an all-cash purchase of newly issued voting common shares, at a fixed price of U.S. $17.17 per share. The transaction will be completed in two stages, an initial investment of 4.9% (Initial Investment) and an additional investment of approximately 10% (Additional Investment), for a total pro-forma ownership of approximately 14.9%,
subject to receipt of regulatory approvals. Upon completion of the Additional Investment, the Bank will have the right to designate two individuals to serve on KeyCorp's Board of Directors.

Acquisition of the Initial Investment of approximately 47.8 million shares was completed on August 30, 2024 for cash of U.S. $0.8 billion and recorded as an equity investment at fair value, with subsequent mark-to-market changes recorded in other comprehensive income.

Subject to regulatory approvals, the Additional Investment is expected to close in fiscal 2025. Upon completion of the Additional Investment, the Bank's total interest in KeyCorp of approximately 14.9% will be accounted for as an investment in associate as the Bank will have significant influence over KeyCorp as defined under IFRS, given its board representation and ownership interest.

Any difference between the fixed transaction price and the quoted share price of KeyCorp at the date of acquisition of the Additional Investment will be recognized as a gain (loss) within profit or loss in the period of closing, with a corresponding increase (decrease) in the carrying value of the investment in associate.

Upon completion of the Additional Investment, the total impact to the Bank's CET1 ratio from both stages of the transaction is expected to be approximately 55 basis points.

Divestitures

Divestiture announced that is expected to close in a future period

CrediScotia Financiera

On May 6, 2024, the Bank entered into an agreement to sell CrediScotia Financiera, a wholly-owned consumer finance subsidiary in Peru, to Banco Santander. The transaction is subject to regulatory approvals and customary closing conditions.

The Bank recorded an impairment loss of $143 million in non-interest income and a credit of $7 million in non-interest expenses (collectively $90 million after-tax) this year, of which the majority relates to goodwill. The loss was recorded in the Other operating segment. Upon closing, the Bank's CET1 capital ratio will increase by approximately three basis points.

Closed divestitures impacting the prior fiscal year

Canadian Tire's Financial Services business ("CTFS")

On October 31, 2023, the Bank signed and closed the sale of its 20% equity interest in CTFS to Canadian Tire Corporation.

The investment held by the Bank in CTFS was classified as an investment in associate. The carrying value of the Bank's interest in the investment of $543 million was derecognized on the date of close and a net gain of approximately $367 million ($319 million after-tax) was recorded in non-interest income – other and reported in the Other operating segment. The transaction increased the Bank's CET1 ratio by approximately 16 basis points.

Shareholder Information

Annual meeting
Shareholders are invited to attend the 193rd Annual Meeting of Holders of Common Shares, to be held on April 8, 2025, at the Canadian Museum of Immigration at Pier 21, 1055 Marginal Road, Halifax, Nova Scotia beginning at 9:30 a.m. Atlantic Time. The record date for determining shareholders entitled to receive notice of and to vote at the meeting will be the close of business on February 11, 2025. Please visit our website at https://www.scotiabank.com/annualmeeting for updates concerning the meeting.

Shareholdings and dividends
Information regarding your shareholdings and dividends may be obtained by contacting the transfer agent.

Direct deposit service
Shareholders may have dividends deposited directly into accounts held at financial institutions which are members of the Canadian Payments Association. To arrange direct deposit service, please write to the transfer agent.

Shareholder Dividend and Share Purchase Plan
Scotiabank's Shareholder Dividend and Share Purchase Plan allows common and preferred shareholders to purchase additional common shares by reinvesting their cash dividend without incurring brokerage or administrative fees. As well, eligible shareholders may invest up to $20,000 each fiscal year to purchase additional common shares of the Bank. All administrative costs of the plan are paid by the Bank. For more information on participation in the plan, please contact the transfer agent.

Listing of shares
Common shares of the Bank are listed for trading on the Toronto and New York stock exchanges.

Stock Symbols

STOCK	TICKER SYMBOL	CUSIP NO.
Common shares	BNS	064149 10 7

Dividend Dates for 2025
Record and payment dates for common and preferred shares, subject to approval by the Board of Directors.

RECORD DATE	PAYMENT DATE
January 7	January 29
April 1	April 28
July 2	July 29
October 7	October 29

Valuation day price
For Canadian income tax purposes, The Bank of Nova Scotia's common stock was quoted at $31.13 per share on Valuation Day, December 22, 1971. This is equivalent to $2.594 after adjusting for the two-for-one stock split in 1976, the three-for-one stock split in 1984, and the two-for-one stock split in 1998. The stock dividend in 2004 did not affect the Valuation Day amount. The stock received as part of the 2004 stock dividend is not included in the pre-1972 pool.

Duplicated communication
Some registered holders of The Bank of Nova Scotia shares might receive more than one copy of shareholder mailings, such as this Annual Report. Every effort is made to avoid duplication; however, if you are registered with different names and/or addresses, multiple mailings may result. If you receive, but do not require, more than one mailing for the same ownership, please contact the transfer agent to combine the accounts.

Credit ratings

LEGACY SENIOR DEBT/DEPOSITS

Fitch	AA
Moody's	Aa2
Morningstar DBRS	AA
Standard & Poor's	A+

SENIOR DEBT(1)

Fitch	AA-
Moody's	A2
Morningstar DBRS	AA(low)
Standard & Poor's	A-

SHORT TERM DEPOSITS/COMMERCIAL PAPER

Fitch	F1+
Moody's	P-1
Morningstar DBRS	R-1(high)
Standard & Poor's	A-1

SUBORDINATED DEBENTURES(2)

Fitch	A
Moody's	Baa1
Morningstar DBRS	A(high)
Standard & Poor's	A-

SUBORDINATED DEBENTURES (NVCC)

Fitch	A
Moody's	Baa1(hyb)
Morningstar DBRS	A(low)
Standard & Poor's	BBB+

SUBORDINATED ADDITIONAL TIER 1 CAPITAL NOTES (NVCC)

Fitch	BBB+
Moody's	Baa3(hyb)
Morningstar DBRS	BBB(high)
Standard & Poor's	BBB-

LIMITED RECOURSE CAPITAL NOTES (NVCC)

Fitch	BBB+
Moody's	Baa3(hyb)
Morningstar DBRS	BBB(high)
Standard & Poor's	BBB-

NON-CUMULATIVE PREFERRED SHARES (NVCC)

Fitch	BBB+
Moody's	Baa3(hyb)
Morningstar DBRS	Pfd-2
Standard & Poor's	BBB-/P-2(low)(3)

(1) Subject to the Canadian Bank Recapitalization (Bail-in) regime
(2) Excluding instruments with Non-Viability Contingent Capital Features
(3) Canadian Scale

Credit ratings are one of the factors that impact the Bank's access to capital markets and the terms on which it can conduct derivatives, hedging transactions and borrow funds. The credit ratings and outlook that the rating agencies assign to the Bank are based on their own views and methodologies.

The Bank continues to have strong credit ratings and its deposits and legacy senior debt are rated AA by Fitch, Aa2 by Moody's, AA by Morningstar DBRS and A+ by Standard and Poor's (S&P). The Bank's bail-inable senior debt is rated AA- by Fitch, A2 by Moody's, AA (low) by Morningstar DBRS, and A- by S&P. As of October 31, 2024, all such rating agencies have a Stable outlook on the Bank.

Credit ratings are not recommendations to purchase, sell or hold a security and are subject to revision or withdrawal at any time by the rating agency.

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Additional information

CORPORATE HEADQUARTERS

Scotiabank
40 Temperance Street
Toronto, Ontario
Canada M5H 0B4

FOR FURTHER INFORMATION

Customer Service Centre
1-800-4-SCOTIA

Financial Analysts, Portfolio Managers and other Institutional Investors
Scotiabank
40 Temperance Street, Toronto, Ontario
Canada M5H 0B4
Tel: (416) 775-0798
E-mail: investor.relations@scotiabank.com

Online
For product, corporate, financial and shareholder information: www.scotiabank.com

Global Communications
Scotiabank
40 Temperance Street, Toronto, Ontario
Canada M5H 0B4
E-mail: corporate.communications@scotiabank.com

Shareholder Services
Transfer Agent and Registrar Main Agent
Computershare Trust Company of Canada
100 University Avenue, 8th Floor, Toronto, Ontario
Canada M5J 2Y1
Tel: 1-877-982-8767
E-mail: service@computershare.com

Co-Transfer Agent (U.S.A.)
Computershare Trust Company, N.A.
Tel: 1-781-575-2000
E-mail: service@computershare.com

Street/Courier address:
C/O Shareholder Services
150 Royall Street, Canton, MA 02021

Mailing address:
PO Box 43078
Providence, RI 02940-3078

Corporate Secretary's Department
Scotiabank
40 Temperance Street, Toronto, Ontario
Canada M5H 0B4
Tel: (416) 866-3672
E-mail: corporate.secretary@scotiabank.com

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CORPORATE GOVERNANCE

Corporate Governance Regulation

The Board of Directors and management believe that a strong, effective, independent Board plays a crucial role in building long-term sustainable growth in shareholder value, maximizing the value shareholders receive from their investment in the Bank and protecting the interests of stakeholders. The Board is committed to meeting high standards of corporate governance in all aspects of the Bank's affairs.

The Bank's corporate governance practices are regulated by many different parties, including the Bank's primary regulator, the Office of the Superintendent of Financial Institutions Canada, and the Board looks to evolving best practices domestically and internationally in reviewing its corporate governance practices. Our practices:

- Meet or exceed the standards set out in the guidelines and rules of the Bank Act (Canada) (the "Bank Act") and those of the Canadian Securities Administrators ("CSA") – which include National Instrument 52-110, National Instrument 52-109, National Policy 58-201 and National Instrument 58-101, and
- Comply with applicable requirements of the New York Stock Exchange ("NYSE") and the Sarbanes-Oxley Act of 2002, including applicable rules of the U.S. Securities and Exchange Commission.

The Bank is not required to comply with most of the NYSE corporate governance rules. However, the Bank meets or exceeds these rules in all significant respects, except as summarized in the Governance section of the Bank's website (https://www.scotiabank.com/ca/en/about/our-company/governance.html).

The Corporate Governance Policies and the committee charters are available in the Board of Directors section of the Bank's website and in print to any shareholder who requests a copy from the Bank's Corporate Secretary. Additional information on the Bank's Audit and Conduct Review Committee, including a copy of its charter and descriptions of its members and their applicable education and experience, can be found in Exhibit 1, the Bank's Annual Information Form under the heading "The Bank's Audit and Conduct Review Committee" and in Schedule "C" thereto.

Director Independence

As a Canadian financial institution that is publicly traded on both the TSX and NYSE, the Bank is committed to complying with all applicable laws, rules and regulations related to the status of its Directors. The Bank defines a Director who does not have a direct or indirect material relationship with the Bank as independent. The Board has approved Director Independence Standards (the "Independence Standards"), which provide a framework for the Board to assess any material relationships of the Directors with the Bank. The Independence Standards are derived from the Bank Act Affiliated Persons Regulations, the CSA rules and the NYSE corporate governance rules. Each year:

- The Board reviews its Directors against these standards, considering all relevant facts and circumstances, including the relationship of the non-management Directors to the Bank — as well as any relationship to the Bank of their spouses, children, principal business affiliations and any other relevant individuals.
- All Directors complete a detailed questionnaire to inform this review.
- All Directors certify their compliance with the Bank's Code of Conduct, including the requirement that they declare any material interest in matters coming before the Board.

L. Scott Thomson is non-independent due to his current position as President and Chief Executive Officer of the Bank.

That means that as of December 3, 2024, 14 of the current 15 (or 93%) Directors are independent, including Aaron W. Regent, the Chair of the Board.

The Board also takes appropriate steps to ensure that the Board is able to function independent of management.

The independent members of the Board held an "in camera" session at all regularly scheduled Board meetings held in fiscal 2024.

The following Directors are independent: Nora A. Aufreiter, Guillermo E. Babatz, Scott B. Bonham, Daniel (Don) H. Callahan, W. Dave Dowrich, Michael B. Medline, Lynn K. Patterson, Michael D. Penner, Una M. Power, Aaron W. Regent, Calin Rovinescu, Sandra J. Stuart, Steven C. Van Wyk, and Benita M. Warmbold.

Director Independence Standards

A majority of the Bank's directors are independent, as required by the CSA's National Policy 58- 201 — *Corporate Governance Guidelines* and the current NYSE listed company corporate governance rules. To be considered independent under these rules, the Board must determine that a director has no direct or indirect material relationship with the Bank. A material relationship is a relationship that could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's judgement independent of management. The rules permit the Board to adopt categorical standards in making its independence determinations. The standards adopted by the Board are reproduced below. Definitions and interpretation of terms in the standards are in accordance with applicable source rules and regulations, as amended from time to time. In applying these standards, the Board broadly considers all relevant facts and circumstances.

1. A director will not be independent if:

    - the director is, or has been within the last three years, an employee or executive officer of the Bank or a subsidiary, or an immediate family member of the director is, or has been within the last three years, an executive officer of the Bank or a subsidiary;
    - the director has received, or an immediate family member of the director has received for service as an executive officer, during any twelve-month period within the last three years, more than the lesser of Cdn$75,000 and US$120,000 in direct compensation from the Bank or a subsidiary, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);
    - (a) the director or an immediate family member of the director is a current partner of a firm that is the Bank's or a subsidiary's internal or external auditor; (b) the director is a current employee of such firm; (c) an immediate family member of the director is a current employee of such a firm and personally works on the Bank's or a subsidiary's audit, or the director's spouse, or child or stepchild who shares a home with the director, is an employee of such firm and participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or (d) the director or an immediate family member was within the last three years a partner or employee of such a firm and personally worked on the Bank's or a subsidiary's audit within that time;
    - the director or an immediate family member of the director, is, or has been within the last three years, employed as an executive officer of another company where any of the Bank's or a subsidiary's present executive officers at the same time serves or served on that company's compensation committee;
    - the director is currently an employee, or an immediate family member of the director is currently an executive officer, of a company that has made payments to, or received payments from, the Bank or a subsidiary for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of US$1 million or 2% of such other company's consolidated gross revenues (with the exception that contributions to tax exempt organizations shall not be considered payments for this purpose); or
    - the director is "affiliated" with the Bank as that term is used in the Affiliated Persons (Banks) Regulations made under the Bank Act (Canada).

An "immediate family member" includes a person's spouse, parents, children, stepchildren, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares the person's home.

2. In addition to satisfying the independence standards set forth above, members of the audit committee must satisfy the following additional independence requirements:

    - An audit committee member may not accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Bank or any subsidiary, other than compensation in his or her capacity as a member of the Board or any committee or any fixed amount of

compensation under a retirement plan (including deferred compensation) for prior service with the Bank (provided such compensation is not contingent in any way on continued service).

- An audit committee member may not be an “affiliated” person of the Bank or any subsidiary, as defined in applicable Canadian and U.S. securities laws.

The indirect acceptance by an audit committee member of any consulting, advisory or other compensatory fee includes acceptance of such fee by a spouse, minor child or stepchild or a child or stepchild who shares a home with the audit committee member or by an entity in which such audit committee member is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the Bank or any subsidiary.

3. In addition to satisfying the independence standards set forth above in section 1, in affirmatively determining the independence of any director who will serve on the Bank’s compensation committee, the Board must consider all factors specifically relevant to determining whether a director has a relationship to the Bank which is material to that director’s ability to be independent from management in connection with the duties of a compensation committee member, including, but not limited to:

    - the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Bank or a subsidiary to such director; and
    - whether such director is affiliated with the Bank, a subsidiary of the Bank or an affiliate of a subsidiary of the Bank.

Whether directors meet these categorical independence standards will be reviewed and will be made public annually prior to their standing for re-election to the Board. The Board will examine factors such as tenure, as well as relationships such as the nature of the director’s banking, lending or other business dealings with the Bank or a director’s role in a charitable organization which has received a certain level of contributions from the Bank. For relationships not covered by the standards in section 1 above, the determination of whether the relationship is material, and therefore whether the director would be independent, will be made by the directors who satisfy those standards. The Bank will disclose the basis for any Board determination that a relationship is immaterial despite the fact that it does not meet the categorical standards set forth above.

Exhibit 99.5



KPMG LLP
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto, ON M5H 2S5
Canada
Tel 416-777-8500
Fax 416-777-8818
www.kpmg.ca

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of The Bank of Nova Scotia (the Bank)

We, consent to the use of:

i) our report of independent registered public accounting firm dated December 3, 2024 on the consolidated financial statements of the Bank, which comprise the consolidated statements of financial position as of October 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended, and the related notes; and

ii) our report of independent registered public accounting firm dated December 3, 2024 on the effectiveness of the Bank's internal control over financial reporting as of October 31, 2024.

each of which is included in this Annual Report on Form 40-F of the Bank for the fiscal year ended October 31, 2024.

We, also consent to the incorporation by reference of the such reports in the Registration Statement on Form S-8 (No. 333-177640) of the Bank.

We also consent to the incorporation by reference of such reports and to the reference to our firm under the heading "Experts" in the Registration Statement on Form F-3/A (No. 333-282565) of the Bank.

/s/ KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada
December 3, 2024

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Exhibit 99.6

CERTIFICATIONS

I, L. SCOTT THOMSON, certify that:

1. I have reviewed the annual report on Form 40-F of The Bank of Nova Scotia;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: December 3, 2024

/s/ L. Scott Thomson
L. Scott Thomson
President and Chief Executive Officer

CERTIFICATIONS

I, RAJAGOPAL VISWANATHAN, certify that:

1. I have reviewed the annual report on Form 40-F of The Bank of Nova Scotia;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: December 3, 2024

/s/ Rajagopal Viswanathan
Rajagopal Viswanathan
Group Head and Chief Financial Officer

Exhibit 99.7

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ENACTED PURSUANT TO
SECTION 906 OF THE U.S. SARBANES-OXLEY ACT OF 2002

In connection with the annual report of The Bank of Nova Scotia (the "Bank") on Form 40-F for the year ended October 31, 2024 (the "Report") as filed with the U.S. Securities and Exchange Commission,

I, L. Scott Thomson, President and Chief Executive Officer of the Bank, certify, pursuant to 18 U.S.C. section 1350, as enacted pursuant to section 906 of the U.S. Sarbanes-Oxley Act of 2002, that to my knowledge:

(i) the Report fully complies with the requirements of section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Bank.

December 3, 2024

/s/ L. Scott Thomson
L. Scott Thomson
President and Chief Executive Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ENACTED PURSUANT TO
SECTION 906 OF THE U.S. SARBANES-OXLEY ACT OF 2002

In connection with the annual report of The Bank of Nova Scotia (the "Bank") on Form 40-F for the year ended October 31, 2024 (the "Report") as filed with the U.S. Securities and Exchange Commission,

I, Rajagopal Viswanathan, Group Head and Chief Financial Officer of the Bank, certify, pursuant to 18 U.S.C. section 1350, as enacted pursuant to section 906 of the U.S. Sarbanes-Oxley Act of 2002, that to my knowledge:

(i) the Report fully complies with the requirements of section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Bank.

December 3, 2024

/s/ Rajagopal Viswanathan

Rajagopal Viswanathan
Group Head and Chief Financial Officer

Exhibit 99.8

Scotiabank Code of Conduct

Dear Scotiabankers,

Trust has been foundational to the relationships we have built with our clients, our shareholders, our fellow Scotiabankers, and the communities in which we operate, for more than 190 years. More than just about meeting our regulatory requirements, trust means acting with integrity and championing a culture where every employee takes ownership of their actions.

We are guardians of our clients' finances—and their futures—and as such, we are held to a higher standard. For Scotiabankers, our goal is not just to win—it is to win the right way, with honesty, with accountability, and in a manner that we can all be proud of.

By signing our Code, you are joining our 90,000-strong team in a promise that we will always do the right thing for all of our stakeholders. Thank you for your commitment to our Code, and for keeping the Bank safe.

/s/ Scott Thomson

Scott Thomson, President and CEO

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Introduction

The *Scotiabank Code of Conduct*[1] (our "**Code**") describes the standards of conduct required of employees, contingent workers[2], directors and officers of The Bank of Nova Scotia and its direct and indirect subsidiaries located in various regions around the world ("Scotiabank" or the "Bank").

If uncertain about what is the most appropriate course of action in a particular situation, our Code should be your first point of reference. If you see something in our Code that you don't understand, or require additional guidance, ask your manager/supervisor or a more senior officer.

I. Roles and Responsibilities

Our clients trust us to deliver financial solutions and advice to help them meet their goals for every future. It is this confidence in our Bank, rooted in our Code, that has allowed us to develop longstanding and deep relationships that span generations.

All Scotiabankers are given a copy of or link to our Code when they join the Bank, are, retained or elected, and are required to receive, read and comply with our Code, and any other applicable Scotiabank policies and acknowledge their compliance within the required timeline on an annual basis. In addition, all employees are assigned an accountability goal focused on Keeping the Bank Safe and conducting all activities in line with our Code.

Executive management and the Board of Directors have additional responsibilities. The EVP and Chief Compliance Officer of Scotiabank is responsible for reporting on compliance with our Code every year to the Board of Directors or one of its committees. The Board of Directors is responsible for reviewing and approving the content of our Code[3] and must authorize changes[4] to our Code and any waivers[5].

II. Compliance with our Code

Unethical or illegal conduct puts Scotiabank, and in some cases its clients, shareholders, employees and other stakeholders, at risk. For example:

- Ø Scotiabank and/or employees, contingent workers, directors, and officers could be subject

[1] This version of the Scotiabank Code of Conduct was last approved by the Board of Directors on October 29, 2024. The online version of this Code, available at www.scotiabank.com, is the most up-to-date, and supersedes prior versions.
[2] Contingent worker means: (1) agency workers where Scotiabank has a contract with an agency who is the employer of a worker or has retained a worker who is assigned by the agency to provide services to Scotiabank; and/or (2) independent contractors, where Scotiabank has entered directly into a contract with an individual (or the company owned by an individual) to provide services to Scotiabank directly. Contingent workers are not employed by Scotiabank and are therefore not paid via payroll by Scotiabank. Various terms may be used to address contingent workers throughout Scotiabank globally, including, but not limited to, third party workers, agency temps, freelancers, independent contractors, consultants, and external contractors. Our Code only applies to those contingent workers with access to Scotiabank networks / systems and applications as part of their job duties, globally, and any reference in our Code to "contingent workers" will only include those contingent workers with access to Scotiabank systems (platforms containing company, employee or customer information and data) as part of their job duties.
[3] Our Code is formally reviewed, at a minimum, once every two years, or earlier if required.
[4] Notwithstanding the Board of Directors' authority over changes and waivers of this Code, Global Compliance has the discretion to authorize: (1) the waiver of particular provisions which clearly conflict with local laws; and (2) non-substantive changes (e.g. for clarification or editorial purposes, to reflect new regulatory requirements or changes to terminology or to ensure that cross-references to other Scotiabank policies are accurate and up to date).
[5] In certain limited situations, Scotiabank may waive application of a provision of this Code to an employee, contingent worker, director, or officer. The Board of Directors must approve any waivers involving a director or executive officer of Scotiabank, and any such waivers will be disclosed in accordance with applicable regulatory requirements. All other waivers or exceptions must be approved by appropriate authorities within Scotiabank's Legal, Compliance and Human Resource Departments. Waivers will be granted rarely, if ever.

to criminal or regulatory sanction, loss of license, lawsuits or fines; and
- Ø Negative publicity from a breach of our Code could affect our clients' or potential clients' confidence and trust in Scotiabank, and their willingness to do business with us.

You are expected to be aware of and comply with all applicable Scotiabank policies, procedures, guidelines, standards, and processes.[6] Adherence to both the letter and the spirit of our Code and applicable policies is therefore a condition of employment at, or a contingent worker's assignment with, Scotiabank[7]. At Scotiabank, adherence to our values and ethical behaviour is encouraged, required, and reinforced through financial and non-financial incentives. Rewards and recognition motivate desirable behaviours and consequences are applied to discourage negative behaviours. By considering "how" results were achieved in addition to "what" was achieved in performance assessments, we acknowledge the importance of ethical conduct.

Any breach, or willful ignorance of the breaches of others, will be treated as a serious matter, and may result in discipline up to and including termination of employment, or in the case of contingent workers, termination of assignment or contract.[8] Scotiabank may report certain types of breaches to law enforcement or regulatory authorities, in which case a breach or willful ignorance of the breaches of others may result in you being subject to criminal or civil penalties.

Getting Help or Advice

If you have questions or are unsure about any of the principles or requirements of our Code, ask your manager/supervisor or another senior leader. If this is not appropriate, or if you need further guidance, consult the Raising Concerns section to follow, or *Key Sources of Guidance and Advice* section.

Raising Concerns

By speaking up and raising concerns, you are helping to ***Keep the Bank Safe*** and protect the trust instilled in us. This section outlines our responsibilities and options available to raise a concern.

I. Obligation to Report

When faced with an ethical and/or compliance issue ask yourself whether the behaviour or activity is contrary to the Bank's values, our Code, Scotiabank policies, the law, regulatory obligations, or whether it has the potential to negatively impact the Bank's reputation. You are required to immediately report these concerns, including any actual, suspected or potential breaches of our Code, such as:

- Ø any actual, suspected or potential breach by you or any other person of a policy, procedure, guideline, law, regulatory requirement, or code of conduct;
- Ø any weakness or deficiency in Scotiabank's policies, systems, or controls that might enable breaches to occur or go undetected; or
- Ø any failure of a supplier, service provider or contractor to adhere to legal requirements or

[6] For the purposes of this document, "policies, procedures, guidelines, standards, and processes" will be referred to as "policies".
[7] For U.S. based employees, nothing contained in our Code creates or shall be intended to create a contract of employment, express or implied.
[8] As noted in our Enterprise Risk Appetite Framework, the Bank has no appetite for breaches of our Code and consequences applied are commensurate with the severity of the breach.

ethical standards comparable to our Code.

If a problem or concern has been referred to you, and you are unable to resolve the issue, please review the *Global Raise a Concern Policy* for further guidance on how to escalate the matter.

II. Protection from Retaliation

The Bank will not tolerate any acts of retaliation against anyone that raises a concern.

Scotiabank further protects individuals by providing anonymous and confidential options to raise concerns.

III. How to Report

Actual, suspected or potential breaches of our Code should be reported to your manager/supervisor, who has a responsibility to take your concern seriously, treat it with sensitivity, and respond to it in a timely manner. You also have the option to utilize one of the confidential avenues available in the *Global Raise a Concern Policy*. These avenues include reporting harassment or other workplace issues to Employee Relations by contacting AskHR (where available), or your local Human Resources department.

Alternative avenues are also available to disclose possible unethical behaviours or wrongdoing:

- The Staff Ombuds Office is available to provide confidential advice or assist in identifying an appropriate way to report your concerns. It is not a channel to report a formal complaint or ask for an investigation;
- The *Whistleblower Policy* outlines the process for reporting suspected unethical behaviour or wrongdoing (such as illegal/fraudulent activity, auditing/accounting concerns, or concerns related to retaliation), and is supported by a third-party portal where anyone can make formal reports online or by phone via a toll-free number. It is accessible 24 hours a day, 7 days a week. The portal can be found at Scotiabank.EthicsPoint.com [https://secure.ethicspoint.com/domain/media/en/gui/76973/index.html]; and
- The Chair of the Board is an additional avenue for escalations in situations that warrant review outside of the above (such as concerns related to the governance of the Raise a Concern program).

If you raise a concern, it will be addressed or referred to the appropriate team responsible for review and/or investigation in line with applicable policies. Staying actively engaged with and supporting the investigative process is often key to resolving concerns in a timely manner. For more detail, refer to the *Global Raise a Concern Procedures*.

Our Principles

Our six Code Principles are foundational to how we live our Values (Client-centric, Integrity, Inclusion, and Accountability) and guide our behavioural expectations (Results-driven, Shaping the future, Striving for better, and Inclusive). Living up to them is an essential part of our vision to be our clients' most trusted financial partner and builds on our values-based, high performance culture.

Our six principles are:

1. Follow the law wherever Scotiabank does business.

2. Avoid putting yourself or Scotiabank in a conflict of interest position.

3. Conduct yourself honestly and with integrity.

4. Respect privacy, confidentiality, and protect the integrity and security of assets, communications, information and transactions.

5. Treat everyone fairly, equitably and professionally.

6. Honour our commitments to the communities in which we operate.

Follow the law wherever Scotiabank does business

I. Your Responsibilities

Ask Questions… Comply… Report!

Scotiabank must follow the laws that govern our business activities wherever it does business, and so must you.

You are also expected to know the internal policies that are relevant to your activities, and comply with them – both in letter and in spirit. *What* we achieve as a business is important, but *how* we get there matters just as much.

Scotiabankers who are unclear about legal, regulatory or other requirements should consult their manager/supervisor. If you need further guidance, consult the *Key Sources of Guidance and Advice* section.

Always act within the scope of your assigned authority. Do not give specific financial, trust, tax, investment or legal advice unless it is part of your job responsibilities, you hold the appropriate qualifications and licenses, and all applicable regulatory requirements are met. Help make it easy to do business with us by referring clients who request advisory services to the applicable department for further guidance.

II. Conflicting Requirements

In the case of any conflict between the provisions of our Code and any laws, regulatory requirements or any other policies applicable to your position, you must adhere to the more stringent requirement.

If you encounter a situation where our Code or other Scotiabank policies appear to conflict with cultural traditions, business practices or legal requirements of the country you are located in, you must consult with the Compliance Department.

Avoid Putting Yourself or Scotiabank in a Conflict of Interest Position

I. Personal Conflicts of Interest

Employees, directors, and contingent workers have an obligation to act in the best interests of Scotiabank. A conflict of interest refers to situations where a person or corporation's objectivity is undermined because they are in a position to derive personal benefit from actions or decisions made in their official capacity. This can arise when there is a conflict between what is in your personal interest (financial or otherwise) and what is in the best interest of Scotiabank.

Even if you do not have a real conflict of interest, if other people perceive one, they may still be concerned that you cannot act properly and impartially. For this reason, it is important to avoid the appearance of a conflict, as well as a real one.

If you find yourself in a conflict of interest position or a situation where you believe that others perceive you to be in a position of conflict, you must immediately disclose this to your manager/supervisor.

Your manager/supervisor, who may consult a more senior manager or the Compliance Department if necessary, will decide if a conflict exists or if there is the potential for the appearance of a conflict that could be damaging to Scotiabank's reputation, as outlined in the *Reputational Risk Policy*.

The sections that follow describe common conflicts that may arise and provide advice on what to do if you encounter any of these situations.

a. Transactions that Involve Yourself, Family Members or Close Associates

When Scotiabankers deal with the Bank as a client, their accounts must be established and account activities conducted in the same manner as those of any non-employee client[9] (i.e. using the same systems and facilities, such as an ABM or online/mobile banking) and without using internal systems to access their personal client profiles and accounts.

The account activities of family members, friends and other close associates must also be established and conducted in the same manner as those of other clients. For example, Scotiabankers must not set up accounts for themselves, or on behalf of these individuals, access their profiles or transact any business without the review and agreement of their manager/supervisor and with appropriate authorization from the client.

Under no circumstances may you authorize or renew a loan, or lending or margin limit increase to yourself, a family member, a friend or other close associate. You may not waive fees, reverse charges or confer any benefit or non-standard pricing or access client system profiles with respect to your own accounts or those of family, friends or other close associates without the prior review and agreement of your manager/supervisor.

[9] Note: This is subject to any special policies or procedures that may be applicable to individuals in certain job functions, business units or subsidiaries.

b. Close Personal Relationships in the Workplace[10]

Real or perceived conflicts of interest also can arise when Scotiabankers work with someone they share a close personal relationship with (such as family relationships, romantic relationships and/or financial relationships[11]) and can also raise serious concerns about favouritism and, in certain cases, the validity of consent.

In accordance with the *Close Personal Relationships in the Workplace Policy (Global)*, Scotiabankers must immediately disclose real or perceived conflicts of interest related to close personal relationships in the workplace to their manager/supervisor or through one of the options in the *Global Raise a Concern Policy*.

c. Objectivity

Do not let your own interests or personal relationships affect your ability to make the right business decisions. Family members, friends and other close associates should have no influence on your work-related actions or decisions. Make decisions about meeting a client's needs, engaging a supplier or service provider, or hiring an individual on a strictly business basis.

You have a responsibility to escalate any external attempts (e.g., by foreign or domestic actors) to influence your or any Bank employee's objectivity through one of the options in the *Global Raise a Concern Policy*.

d. Outside Business Activities, Financial Interests or Employment

For employees, having other work (paid or unpaid) outside of your employment with Scotiabank is permitted if there is no conflict of interest and if the satisfactory performance of your job functions with Scotiabank is not prejudiced or negatively impacted in any way.

In addition, the following rules apply:

- Ø Do not engage in work that competes with Scotiabank, or in any activity likely to compromise or potentially harm Scotiabank's position or reputation;
- Ø Participation in an outside business activity should only be conducted outside of normal working hours and not use Scotiabank confidential information or Scotiabank equipment or facilities;
- Ø Employees may not take for themselves a business opportunity that is discovered in the course of Scotiabank employment or assignment, or through the use of Scotiabank property, information, or position;
- Ø Employees cannot solicit Bank clients to take part in their outside business activity. For example, if an employee were to work as a real estate agent while also working for Scotiabank as a financial advisor in a branch would give rise to a real or perceived conflict of interest, as the employee can personally benefit from selling real estate by soliciting Bank clients while also arranging the financing;
- Ø Neither employees nor members of their household should have a financial interest in, or with, a client, supplier or service provider of Scotiabank, or any other entity having a close

[10] Please refer to Footnote 9.
[11] For example, having obligations as a power of attorney, an executor, a trading authority, a business partner in outside business activities etc.

business relationship with Scotiabank, if this would give rise to a conflict of interest;[12] and

- Ø Employees should seek approval from their manager/supervisor (or department head, where appropriate) prior to taking on an outside business interest. If your manager/supervisor has any questions regarding whether there may be a real or perceived conflict of interest, they should consult the Compliance Department.

Local regulatory requirements, including securities legislation, or local compliance policies may impose further restrictions on engaging in outside business activities.

Please refer to local business line compliance policies and the *Outside Business Activities Guidelines* for further information.

Any questions regarding outside business activities should be discussed with your manager/supervisor and/or your Business Line Compliance Department to be sure the proposed outside business activities do not create a conflict.

e. Misuse of Confidential Information

You are regularly entrusted with confidential information that may not be publicly known about Scotiabank, its clients, fellow employees or others. This information is provided strictly for business purposes. It is wrong, and in some cases illegal, for anyone to access confidential information without a valid business reason to do so, or to use confidential information in order to obtain a personal benefit or further their own personal interests. Except as provided in Principle 3, s. VI. Audits, Investigations, and Regulatory Reporting, it is wrong to disclose confidential information to any other person or third party who does not require the information to carry out their job responsibilities on behalf of Scotiabank and who is not authorized to access such confidential information.

f. Directorships

Employees or officers may not accept a corporate directorship until obtaining approval/concurrence from their manager/supervisor and, where applicable, the Compliance Department.[13] The Compliance Department will seek any other necessary approvals.. New Employees must immediately report any directorships and seek approval where necessary.

For further information on your obligations, refer to the *Scotiabank Corporate Directorships Policy*.

g. Wills, Other Trusteeships and Similar Appointments

We expect employees to decline any client who suggests leaving a gift in their will, as this could create a perception that you manipulated or took advantage of the client.

Employees should never solicit from, nor accept a personal appointment by, a client as an executor, administrator or trustee, with some exceptions made for family relationships.

[12] This policy does not apply to holdings in the publicly traded securities of suppliers or clients, as long as Scotiabank policies with respect to misuse of confidential information and insider trading and tipping are complied with, including the *Scotiabank Personal Trading Policy.*

[13] Scotiabank may ask an officer or employee to act as a director of a subsidiary, affiliate or another corporate entity where it determines such a directorship to be in Scotiabank's interests. These directorships must be approved in accordance with applicable policies.

If employees are named as a beneficiary, executor, administrator or trustee of a client's will or other trust document, other than as a family member, report the gift or appointment and the nature of the relationship to your manager/supervisor, who will consult the Compliance Department. Management approval will be required for signing authority for the estate's bank accounts (some affiliates and subsidiaries may require additional approvals).

h. Purchasing/Selling Scotiabank Assets

To avoid the appearance that Scotiabank is giving an unfair advantage, you or members of your household may not purchase Scotiabank assets such as automobiles, office equipment or computer systems, unless:

- Ø the purchase is made at an advertised public auction;
- Ø it has otherwise been established to Scotiabank's satisfaction that the price being paid is reasonable and the appropriate business unit head has approved the transaction; or
- Ø the purchase is made under an approved Scotiabank program.

Unless it's part of your job and under an authorized Scotiabank program, you may not sell Scotiabank assets. It is also strictly prohibited to advertise or sell any Bank asset for personal gain or to further your own interests.

i. Administered or Repossessed Property

Neither you nor your family may use or purchase goods that have been repossessed by Scotiabank, except with the permission of the appropriate Group or Country Head, who will review the situation and consider whether the transaction would both be, and appear to be, fair.[14]

j. Related Parties

Directors, certain senior officers, their spouses and minor children, as well as certain other entities such as companies which they control, are referred to as "related parties" (or "connected parties" in some countries) and there are laws governing their dealings with Scotiabank. If you have been advised that you are a "related party", you must abide by the policies which have been put in place to meet applicable legal requirements.

II. Corporate Conflicts of Interest

Conflicts of interest can also occur between Scotiabank and its clients. For example:

- Ø Scotiabank's interests could conflict with its obligations to a client;
- Ø Scotiabank's obligations to one client could conflict with its obligations to another; or
- Ø Scotiabank's relationships with one third party supplier could conflict with its obligations to another third party supplier.

[14] Those who work for a securities subsidiary, or any other subsidiary or area where a fiduciary obligation may be imposed by law, may not use, or become the owner of, property held in Fiduciary accounts under administration, unless they or a family member are a beneficiary or co-trustee of an estate and the governing document specifically permits use, or ownership of, the property being administered.

Employees, including lending or advisory officers, must be alert to situations where there may be a conflict or the appearance of one. For example, if Scotiabank were asked to lead financing for more than one client's bid on the same asset, a perception may arise that one client may be given preferential treatment over another.

Those who become aware of a potential conflict must observe policies regarding confidentiality and conflicts of interest and advise their manager/supervisor or Compliance contact as set out in the *Key Sources of Guidance Advice* section to ensure the situation is managed appropriately.

a. Political Contributions

To avoid Conflict of Interests with political or state entities, Scotiabank in accordance with the *Political Contributions Policy* and the *Scotiabank Global Anti-Bribery & Anti-Corruption Policy* will not make corporate contributions to any political party.

Scotiabank employees are also not permitted to use Bank resources or the Bank's name to help organize, promote or host political fundraisers.

Conduct Yourself Honestly and with Integrity

Our success depends on your honesty and integrity. Always remember that your conduct has a direct effect on how clients think about Scotiabank and how it reflects on you.

I. Illegal or Fraudulent Activities

a. Misappropriation

Stealing funds or information, attempting to defraud a client or Scotiabank, or knowingly helping others to do so is a serious violation of our Code. This includes, but is not limited to, falsely inflating or mis-representing performance results to gain additional compensation, falsifying expense claims, misuse of employee benefits such as corporate credit cards or employee banking privileges (including purchasing foreign currency for anyone other than eligible dependents) or medical/dental benefits, or manipulating Scotiabank's clearing or payments systems (including but not limited to cheque writing and any ABM, online or mobile banking transactions) or general ledger accounts to obtain credit or funds fraudulently.

You are also stewards of Scotiabank's resources and must act in the Bank's, and ultimately the shareholders' interests by spending the Bank's money responsibly. Scotiabank's expense policies governing authorization and reimbursement of reasonable employment expenses must be adhered to.

b. Improperly Accessing Records, Funds or Facilities

Never use your Scotiabank access to funds, facilities or systems to do something improper. You have a responsibility to protect against data loss, misuse, and/or mismanagement. Only access and use records, computer files and programs (including personnel files, financial statements, online client and employee profiles and other client or employee information and/or data) for their intended, Scotiabank-approved purposes.

You may not access or use Scotiabank facilities on behalf of third parties. In addition, any personal use must be limited to reasonable and occasional use.

Improperly Accessing Records:

For example, you may not view the account or personnel records of another employee or client, including family members, for personal reasons, or share contact details or financial information about a client with third parties, such as mortgage brokers.

Any access to Bank records without authorization is a privacy breach and a breach of our Code.

c. Creating False Records

Forgery or creating false records (including false signatures) is a crime, a betrayal of client trust and a serious violation of our Code – even if there is no intention to defraud. This includes creating Know Your Client records that you know are false or misleading.

It is also fraudulent to knowingly make or allow false or misleading entries to be made to any

Scotiabank account, record, model, system or document (this includes, but is not limited to, inflating sales numbers to receive higher commissions, falsifying sales that did not occur or colluding with clients or other employees to record and collect commissions on falsified sales).

In addition, undisclosed or unrecorded Scotiabank accounts, funds, assets or liabilities are strictly prohibited. Immediately report your knowledge or discovery of any such account, instrument or misleading or false entry in accordance with the *Global Raise a Concern Policy*.

d. Bribes, Payoffs and Other Corrupt Practices

Scotiabank prohibits any form of bribery and corruption. This means:

- Employees and third parties working with Scotiabank must follow the Scotiabank Global Anti-Bribery & Anti-Corruption Policy and all applicable anti-bribery laws;
- Employees must not (directly or through an intermediary) offer, give, solicit, accept or authorize, anything of value including facilitation payments to or from public officials, Politically Exposed Persons ("PEP")[15], business partners, clients, or others in exchange for improper advantage or consideration. Employees must be aware that payments made indirectly through any third-party intermediary are considered as payments made by Scotiabank and are subject to the same regulations;
- Only engaging suppliers/vendors/service providers after conducting appropriate due diligence and on the basis of their credentials, skills and qualifications; and
- Employees must immediately report actual or suspected incidents of bribery or corruption following the process outlined in the Global Raise a Concern Policy.

For additional guidance, refer to the *Scotiabank Global Anti-Bribery & Anti-Corruption Policy* or contact the Compliance Department.

e. Insider Trading and Tipping

In the course of your duties, you may become aware of confidential information about Scotiabank or another public company. Some of this information may be sensitive enough that, if other people knew it, they would consider it important in deciding whether to buy or sell that company's securities, or it would be reasonable to expect that the price of the securities could be significantly affected. This kind of information is commonly called inside information or Material Non-Public Information (MNPI) and you may not act on this information for the benefit of yourself, a close friend, or a relative benefit (this is known as insider trading).

You also may not pass on (or "tip") inside information about Scotiabank or any other public company to anyone except those persons who need to know that specific information in the necessary course of conducting Scotiabank business. This activity is commonly called tipping. There are very strict laws forbidding both insider trading and tipping, and violations carry severe penalties.

[15] For complete definition of public officials and Politically Exposed Persons, or Anything of value please refer to the *Scotiabank Global Anti-Bribery & Anti-Corruption Policy*

If you are likely to encounter inside information you should become familiar with the specific policies that Scotiabank and its subsidiaries have put in place to restrict access to inside information, including information barriers. The Compliance Department is also available to provide you with advice.

f. Other Trading Restrictions

You may not engage in trading or other activities intended to improperly influence or manipulate markets and are prohibited from trading in calls or puts (i.e., options to buy or sell securities at a set price) on Scotiabank securities.

Additionally, you may not short Scotiabank securities (i.e., you cannot sell securities you do not own). Refer to the *Scotiabank Personal Trading Policy* for further guidance.

Trading Restrictions and Monitoring:

Regardless of your knowledge, in some circumstances Scotiabank may impose trading prohibition periods or other restrictions applicable to you. If your job makes it likely that you may encounter inside information, Scotiabank can also require that you conduct your securities trading only through brokerage accounts monitored by Scotiabank as well as impose other rules.

g. Requirement to Disclose a Criminal Charge or Conviction for which a Pardon has not been Granted

You are required to disclose to Scotiabank if you are charged with, or convicted of, any criminal offence in a domestic, foreign or military jurisdiction or court. If you are charged with or convicted of any criminal offence of this type, you must disclose it immediately to your manager/supervisor, who will consult Employee Relations or the local Human Resources department for further direction. You must also update the Bank on any developments relating to a charge or conviction.

h. Anti-Competitive Practices

To promote fair and open competition, many countries have competition and anti-trust laws. As such, you should be familiar with the *Scotiabank Competition Law Compliance Policy.*

Do not collude or co-operate with any other competitor in anti-competitive activities, including arrangements or agreements to:

- Fix the price of products or services (including interest rates on loans and deposits, fees, rates on key indices);
- Divide or allocate clients or geographic areas;
- Restrict the supply of products or services in the market;
- Engage in bid rigging (e.g., agree on how to respond to a tender); and
- Provide or receive competitively sensitive information.

Do not engage in other anti-competitive activities, including tied selling, abuse of dominance, false/misleading advertising, and other deceptive marketing practices. Be cautious entering into wage-fixing or no-poach agreements as these may be prohibited in some jurisdictions.

You may participate in industry associations or events (including Bank-approved related benchmarking exercises), but these meetings and interactions must not be used to engage in anti-competitive activities.

If you have any concerns about whether an activity or discussion with competitors would violate

competition and anti-trust laws, you must refrain from participating and consult with the Legal Department or Compliance Department.

II. Improper Transaction Prevention

a. Know Your Client

Knowing your clients helps to better serve their needs, meet regulatory requirements, avoid facilitating activity that is outside of our risk appetite, and protect ourselves during disputes and litigation. It also allows us to contribute to national and global efforts to combat criminal and terrorist activity.

All client transactions must be authorized and handled in an approved manner and must adhere to applicable standards for knowing your client. Do not undertake, participate in, or facilitate any client transactions that are prohibited by law or regulation. Follow designated policies and procedures for transactions that, by Scotiabank's standards, could be considered improper or suspect.

b. Detecting and Reporting Suspicious or Improper Transactions

Money laundering, terrorist financing, violation of economic sanctions, tax evasion and acts of corruption committed by clients are serious international problems that lead to harmful legal, economic, and social consequences. Familiarize yourself with the policies related to anti-money laundering, anti-terrorist financing, anti-bribery & anti-corruption, and compliance with sanctions that are applicable to your role.

Scotiabankers must promptly report any unusual account activity to their manager/supervisor or, in the case of suspected money laundering, terrorist financing or sanctions breaches, their designated Anti-Money Laundering Compliance Officer/Local Sanctions Officer. Failure to report a suspicious transaction or warning a client that a report has been or will be made about them is a breach of our Code and may be viewed as a criminal offence.

III. Ethical Business Practices

a. Offering and Accepting Gifts and Entertainment

Offering and/or accepting gifts and entertainment is a common way business partners show their appreciation and respect for each other. However, do not offer and/or accept gifts and entertainment if they:

- Ø Create the appearance of improper influence or a quid pro quo arrangement;
- Ø May be perceived as offer or acceptance of a bribe and/or kickback;
- Ø May appear to impair the recipient's objectivity and independence;
- Ø Violate legal and regulatory obligations; or
- Ø Have the potential to harm Scotiabank's reputation.

Key principles that govern the giving and accepting of gifts and entertainment:

- Ø gifts and entertainment must be modest[16] and infrequent, and must not be illegal or inappropriate (e.g., adult entertainment);
- Ø gifts and entertainment to or from public officials or PEPs (of any value) should be avoided, and in some jurisdictions they are prohibited;
- Ø never give, receive, offer, or authorize gifts and entertainment during or immediately before or after entering into negotiation or while awaiting or awarding/ renewing a contract;
- Ø obtain requisite prior approvals/ approvals, when appropriate, and respect the thresholds and limits defined within the Scotiabank Global Gifts and Entertainment Policy and applicable Gifts and Entertainment Operating Procedures;
- Ø ensure it is not a gift of cash or a cash equivalent, bond or negotiable security, or personal loan; and
- Ø ensure all gifts and entertainment expenses are transparently recorded.

Please review the Scotiabank Global Gifts and Entertainment Policy and direct any questions to ge@scotiabank.com.

b. Charitable Donations or Community Sponsorships

The Bank remains firmly committed to creating a more inclusive and resilient society for everyone, and for every future. However, it is important to note that charitable organizations can be used as fronts or conduits for improper payments, including those made for the purpose of obtaining an unfair business advantage. Offering charitable donations or community sponsorships may:

- Ø Create the appearance of improper influence or a quid pro quo arrangement;
- Ø Be perceived as the offer or acceptance of a bribe and/or kickback;
- Ø Appear to impair the recipient's objectivity and independence;
- Ø Violate legal and regulatory obligations; and
- Ø Harm Scotiabank's reputation.

For additional guidance, please refer to the *Global Donations and Community Sponsorships Policy* and the *Scotiabank Global Anti-Bribery & Anti-Corruption Policy.*

c. Dealing Ethically with Our Clients, Employees and Others

We do not compromise our ethics for the sake of profit, or for meeting sales targets or goals.

Steering a client to an inappropriate or unnecessary product harms the client, damages our reputation and may be illegal in certain situations and jurisdictions. Never take unfair advantage of anyone through manipulation, concealment, abuse of confidential business or personal information, misrepresentation of material facts, or any other unfair-dealing or unethical business practice. Scotiabankers who discover misrepresentations or misstatements in information provided to clients or the public must consult their manager/supervisor about how to correct those statements.

All applicants for employment at any level within Scotiabank must be considered based on

[16] Through the *Scotiabank Global Gifts and Entertainment Policy* and applicable Gifts and Entertainment Operating Procedures, a business unit may set specific acceptable limits or amounts regarding permitted gifts and entertainment.

appropriate qualification, and compensation must be appropriate for the work being performed and consistent with the compensation paid to other employees for similar work. Never give preferential treatment, including hiring, retaining, promoting, or in respect of compensation, to individuals based on close personal relationships, or family, political, governmental or other affiliations. It is important to be aware of Scotiabank's relationship with public officials or PEPs (for example, where Scotiabank is in the process of applying for a license from an official's department) and how the employment by Scotiabank of a family member or close associate of an official could be perceived.

Furthermore, never engage in behaviour that threatens, pressures, constrains, or otherwise influences an individual to act inappropriately, against their will, and/or in violation of Scotiabank policies.

Coercive Tied Selling: Never pressure clients to buy a product or service that they do not want as a condition for obtaining another product or service from Scotiabank (coercive tied selling).

This should not be confused with other practices, such as giving preferential pricing to clients who already have business with Scotiabank or bundling products and services. These practices are legal and accepted in some countries, but may be illegal in others, so ensure that you are aware of all applicable local laws.

Never seek to obtain personal advantages from Scotiabank clients or other business relationships.

For example, you must not use your connection with Scotiabank:

- Ø so that you, or anyone you have a close personal relationship with, can borrow from or become indebted to clients; or
- Ø to gain preferred rates or access to goods and services[17], whether for yourself or anyone you have a close personal relationship with, unless the benefit is conferred as part of a Scotiabank- approved plan.

d. Respect Intellectual Property Rights

We respect and avoid the unauthorized use of others' intellectual property rights.

Use only applications and hardware provided through Scotiabank Technology and Operations. Scotiabankers may not download any third-party intellectual property including software, creative works or other materials if doing so would violate any vendor/owner rights. Be aware that software or services available over the Internet, including free and demo software or cloud-based services, and upgrades to software already in use, may have licensing restrictions which are not readily apparent.

When using supplier or service provider and third-party systems, programs and content, comply with the licensing, confidentiality and registration requirements. For example, do not share registration or access information for external databases or online publications with others as this could be a breach of the licensing and copyright subscription terms or could violate any

[17] For example: Do not use your position to gain access to trading facilities or opportunities to further your personal investments, such as gaining access to new stock issues or hard-to-get securities.

vendor/owner rights. Failure to respect these requirements could subject you or Scotiabank to serious penalties.

When using the Internet, always comply with our Code, and the guidance on respecting intellectual property laws set out within.

If you develop, as part of your work for Scotiabank or with the use of Scotiabank facilities, any patentable invention, industrial design or creative work, it belongs to Scotiabank unless a specific exception has been made.

e. Data Ethics

We do not compromise our ethics for the sake of profits or meeting other targets, and the same goes for the use of our clients' data. The collection and creation of data should be done to deliver the best banking experience to our clients and with their interests in mind. In order to do that, and to maintain our clients' trust, Scotiabank has a set of data ethics principles to guide the use of data in supporting the Bank's activities. These principles help data practitioners ensure their decisions include ethical considerations and promotes accountability to align to with our ethical principles throughout the data lifecycle.

For more information, refer to Scotiabank's Data Ethics Commitment [https://www.scotiabank.com/ca/en/about/responsibility-impact/with-our-customers/data-ethicsstatement.html#:~:text=Scotiabank's%20Data%20Ethics%20Commitment&text=Now%2C%20our%20Bank%20is%20using,%2C%20financial%20crime%2C%20and%20risk].

IV. Engaging Third Parties

In conducting business, Scotiabank uses suppliers or service providers and contractors and may enter into a variety of products and services agreements, outsourcing arrangements or other strategic alliances. If you are authorized to engage third parties, you must do so in compliance with the *Global Procurement Policy* and should engage only those who are competent and reputable, and who have business conduct standards comparable to our own. Service providers, suppliers and other third parties providing goods and services to Scotiabank should always follow Scotiabank's *Supplier Code of Conduct*. Engaging family or household members, or any other person or entity you have a close personal relationship with, to act in such a capacity, is considered a conflict of interest.

The *Global Third Party Risk Management Policy* is applicable to and must be followed for all third party arrangements with external third parties and intragroup entities.

Do not disclose any confidential or proprietary information of a third party supplier to any other third party without obtaining their prior written consent and advice from the Legal Department. Additionally, it is essential that you protect client and employee data, and do not disclose it to any third party supplier without obtaining written consent and advice from Customer Insights, Data & Analytics (CID&A) and Information Security and Control (IS&C).

V. Communications and Representations

Trust is the basis of our relationships with our clients, fellow employees, shareholders and the communities in which we operate. You must not knowingly mislead clients, the general public,

regulators, or other employees by making false or misleading statements or by withholding information.

a. Advertising

Scotiabank is subject to regulations with respect to advertising, which include any written or verbal representations about Scotiabank products and services that are directed at the general public (e.g., social media, online, telephone, email). Advertisements must be accurate, clear and not misleading. This includes representations by third parties made on behalf of Scotiabank (such as influencers and partners). Ensure that established approval procedures are followed or get managerial approval or approval from a department head before initiating any advertisements or representations.

b. Proper Public Disclosure

Scotiabank is committed to providing timely, accurate, balanced and widely distributed disclosure of material information, as required by law or regulation. For additional information, consult the *Statement of Disclosure Policy and Practices and Mandate of the Disclosure Committee.* Unless it is part of your job responsibilities, refer inquiries from the financial community, shareholders and media to Investor Relations or Global Communications.

c. Making Public Statements and Media Contact

Scotiabank is subject to laws and regulations that prohibit communicating false or misleading information to a client or to the public. All media inquiries must be referred to Global Communications. Only spokespeople authorized by Global Communications can speak to the media on behalf of the Bank. Be especially careful never to respond to questions about a matter where litigation is involved, regardless if it is pending, in progress or resolved (without prior authorization of the Legal Department) and always respect Scotiabank's duty of confidentiality to its clients, employees and others.

Speaking opportunities at conferences and industry events should be treated as public events where media may be in attendance or people may share the information presented to social media platforms. Scotiabankers must ensure that they receive required approvals for any public speaking events they are asked to participate in. Even if you are presenting in your own personal capacity and you've made that clear, please remember that by the nature of your title, the public may still interpret your views as Bank views. For guidance, please see the *Media Relations Policy & Guidelines* and *Social Media Policy*.

d. Expressing Your Personal Views

As a private citizen, you are entitled to express your personal views. However, be careful not to give the impression that you are speaking on behalf of Scotiabank or expressing Scotiabank's perspective, unless you have obtained approval from your manager/supervisor and Global Communications. This applies to all forms of communication (such as statements, speeches, letters or articles) and all communications media or networks (such as newspaper, radio, television, e-mail, social media or the Internet).

You should also bear in mind that your conduct outside the workplace may reflect on Scotiabank. Use good judgement when offering your personal opinions in a public forum (such as social media, internet blogs, or newsgroups), taking care not to disparage Scotiabank, its products and

services, or competitors, while always protecting confidential information about Scotiabank, clients, employees or others.[18]

e. Use of the Scotiabank Brand, Name and Reputation

Our brand and reputation are significant corporate assets. They should only be used to further Scotiabank business. Never use Scotiabank's name, logos, letterhead or reputation to gain personal advantages or to further your own interests, or for anything other than approved purposes.

VI. Audits, Investigations, and Regulatory Reporting

Always cooperate fully with any investigations by management or Compliance, Legal, Internal Audit, Corporate Security, Information Security & Control, Fraud Management, or Human Resources. Be straightforward and truthful when dealing with internal and external investigations, external auditors and regulators. However, keep in mind Scotiabank's confidentiality guidelines and procedures for releasing information.

You must not destroy, discard, withhold or alter records pertinent to a regulatory authority, an audit, a legal or governmental investigation. For more information, refer to the *Enterprise Records and Information Management Policy*.

Scotiabankers may choose to report conduct that they believe is unlawful to a regulator or member of law enforcement, and Scotiabankers who choose to do so are not required to inform the Bank of this action. Additionally, Scotiabank has a responsibility to report certain incidents to regulators and law enforcement as required by law.

[18] For U.S. based employees, you should refrain from making statements about Scotiabank or its employees, officers, and directors that are knowingly false or made with reckless disregard for the truth.

Respect Privacy, Confidentiality, and Protect the Integrity and Security of Assets, Communications, Information and Transactions

I. Privacy and Confidentiality

You have an obligation to safeguard the personal and business information entrusted to us by clients, employees, suppliers, service providers and others, as well as the confidentiality of Scotiabank's own affairs. This obligation continues even after you leave Scotiabank.

a. Obligation to Protect Personal and Confidential Information

You are expected to be aware of, and follow, the policies that Scotiabank has put in place to protect personal and confidential information and to comply with applicable laws and regulations, including the *Scotiabank Privacy Agreement*, *Employee Privacy Policy*, and *Privacy Incident and Breach Management Procedures*. Those policies explain how to report, respond to and remediate a breach of privacy or confidentiality.

Confidential information refers to any information where loss could lead to unacceptable risk, and includes trade secrets/technology information, and information pertaining to business operations/strategies, and/or clients, pricing and marketing. All information about current or prospective clients, employees or others should be presumed to be confidential unless the contrary is clear.

Appropriate handling of personal and confidential information includes the following:

> Follow policies and supporting documentation for storing, handling, and controlling access to personal and confidential information.

> Use the Scotiabank Secure Email Service procedures where personal and confidential information must be sent outside Scotiabank. See the *Key Sources of Guidance and Advice* section for more information.

> Do not carelessly display personal or confidential information to others

> Do not disclose personal or confidential information to anyone outside Scotiabank (including family or household members or close associates) or to others who do not require the information for their work (*except as provided in Principle 3, s. VI. Audits, Investigations, and Regulatory Reporting*).

> Destroy or dispose of information according to security requirements and policies for document retention and destruction.

Never access personal information (including your own file) or confidential business information about Scotiabank, a client, or an employee without a legitimate business reason and appropriate authorization. For example, do not view client profiles or account information of family members, friends, acquaintances, or employees without a valid business reason to do so. Accessing someone's personal information without valid authorization or permission is a breach of the law and our Code.

Never access, collect, disclose or use confidential information or proprietary information obtained from third parties, other organizations or former employers without proper authorization. Taking confidential information as you leave the Bank with the intent to use it for future business activities may also lead to civil or criminal action against you, even if you are no longer a Scotiabank employee.

b. Appropriate Handling of Personal and Confidential Information

It is your responsibility to protect any personal or confidential information which you use or have custody of or access to. This is the case even when you are disposing of waste or damaged materials.

You must ensure that any new Scotiabank initiative or service and any new use of personal and confidential information that you are involved with has undergone a Privacy Impact Assessment and/or a Security Threat/Risk Assessment, and all suggested privacy and security protections are implemented before it is launched.

If you become aware of a breach or potential breach of privacy or confidentiality, immediately report it to your manager/supervisor or through one of the options described in the *Key Sources of Guidance and Advice* section or in the *Global Raise a Concern Policy* so that steps can be taken to prevent, minimize or mitigate any negative impact on clients, employees, other stakeholders, or Scotiabank.

c. Disclosures of Personal and Confidential Information

Third parties sometimes request information about clients (including family and friends) or employees. Subject to legal exceptions, you must obtain consent before releasing a client's personal or confidential business information to anyone else. This includes releasing information about whether or not an individual, business or government department is actually a client. Legal Department assistance may be required to verify requests for information without consent.

II. Accuracy and Integrity of Transactions and Records

The expectations of our clients, shareholders, regulators and other stakeholders make it essential that Scotiabank's books and records are complete and accurate. Everyone must play their part in ensuring the accuracy and integrity of our record-keeping and information reporting systems to ensure that transactions:

- Ø have a legitimate business purpose (e.g., do not mislead regarding earnings, revenue or balance sheet values, or any action resulting in an unethical or illegal outcome);
- Ø are properly authorized and adequately supported by back-up documentation; and
- Ø are promptly and accurately recorded in the right accounts

Internal controls and procedures are in place to protect Scotiabank. Under no circumstances should you try to bypass an internal control, even if you think it is harmless or will save time.

III. Security

a. Keep Scotiabank and Client Assets Safe

Be alert to the potential for harm, loss, corruption, misuse, unauthorized access or theft of Scotiabank or client assets,**no matter where you are working**. These include:

- Ø funds and negotiable instruments;
- Ø technological devices and resources (e.g., computer systems and networks, telecommunication systems, communication channels, and the Internet);
- Ø physical property, premises, supplies and equipment;
- Ø intellectual property, including Bank-developed software; and
- Ø personal and confidential information, however stored or maintained, including information held on electronic storage devices.

Report any perceived weakness or deficiency in a system or a security protection procedure to your manager/supervisor or other appropriate senior officers (e.g., Chief Information Security Officer).

b. Appropriate Use of Information Technology and Services

Scotiabank monitors its information technology systems, services, and facilities to prevent and detect the harm, loss, corruption, misuse, unauthorized access or theft of Scotiabank or client assets.

Information technology and services are provided to you to enable you to do your job. Examples include Bank-issued devices such as laptop, PC, phone, and tablets running approved software installed through information technology. Any other use, except for reasonable and occasional personal use, is not allowed.

Additional responsibilities include the following:

- Ø Ensure business communications are only conducted using approved communication channels on Bank-issued devices, in line with the *Global Voice and Electronic Communications Policy*. The use of unauthorized communications channels for business communications is considered a breach of our Code;
- Ø Advise Scotiabank (as soon as is reasonably practical) if your Bank-issued device is lost or stolen (e.g., laptop, phone);
- Ø Ensure proper operating system and application updates/patches are installed as soon as they are available;
- Ø Do not bypass or interfere with security controls or the system configuration of any Bank-issued devices (e.g., sharing access credentials and passwords, installing your own software, “jailbreaking” mobile devices, “rooting” computer systems); and
- Ø Only access, conduct business using, or store Bank information in public Internet services approved by the Bank’s designated governance forums.

IV. Digital Communications, Use and Representation

Inappropriate Internet usage outside the workplace could subject you, Scotiabank, its clients, or

other stakeholders to legal, reputational, privacy, data, security, or other risks. If you choose to offer your personal opinions online, use common sense and be careful not to give the impression you are speaking on behalf of Scotiabank or expressing a Scotiabank-approved perspective. For further information on inappropriate internet use outside of the workplace, please refer to the *Expressing Your Personal Views* section of this Code.

Employees are permitted to only use approved communication channels on Bank-issued devices to communicate over the Bank's electronic networks, to discuss Bank related matters, or to access the Internet for business-related use. Use of unapproved devices, services, applications, or channels of communication to conduct business is strictly prohibited. It is important to ensure that only authorized employees of Scotiabank create and send digital communications to the public.

You represent the Bank in all digital communications sent internally or externally for business or personal use at and outside of work. When using social media, e-mail or other digital communication methods consider the potential impact on Scotiabank's brand, image and reputation. Be careful to protect information and avoid unintended disclosure (e.g., posting pictures that contain Scotiabank information, taking a photograph with a whiteboard in the background). Scotiabank's expectations in relation to digital communications and social media apply wherever you happen to be; whether in a Scotiabank workplace or off-premises.

For specific guidelines for social media usage, please refer to the *Social Media Policy*.

You are required to comply with all applicable policies with respect to the sending of emails and other digital communications. For specific guidance, please refer to Scotiabank *Canada's Anti-Spam Legislation (CASL) Policy*.

Treat Everyone Fairly, Equitably, and Professionally

This includes clients, employees, shareholders, suppliers, service providers, governments, regulators, competitors, the media and the public

Scotiabank is committed to respecting and promoting human rights and treating all current and potential employees, contingent workers, clients, shareholders, suppliers, service providers, governments, regulators, and the public fairly, and to maintaining and advancing an equitable and inclusive work environment that supports the productivity, personal goals, dignity and self-respect of all.

This includes commitments to:

- having a work force, at all levels of the organization, that reflects the diverse population of the communities it serves;
- providing reasonable accommodation to people who may face accessibility barriers. This includes enabling employees to thrive and belong in the workplace, and clients who receive products or services from Scotiabank;
- winning as one team by building and strengthening a culture where all Scotiabankers can thrive; and
- creating a psychologically safe, equitable and inclusive environment where employees can speak up without fear of retaliation.

Diversity, equity, inclusion, and accessibility is important to the Bank. This is why Scotiabank furthered its commitment to human rights as it became the first Canadian bank to adopt the UN Global LGBTI Standards for Business, as well as signing onto the UN Women's Empowerment Principles.

I. Diversity, Equity, Inclusion and Human Rights

Discrimination and Harassment

Scotiabank is committed to providing an inclusive, equitable, accessible, respectful and safe environment that is free from discrimination and harassment for all as well as to complying with applicable laws pertaining to discrimination, human rights, accessibility, and harassment. This applies to all employees, contingent workers, directors and officers of the Bank. Your actions are expected to be consistent with these principles and any related legal requirements. We also expect that the third parties dealing with Scotiabank share our commitment to respect human rights, as set out in our S*upplier Code of Conduct*.

Discrimination means any action or a decision, without lawful justification, whether intentional or not, which has the effect of denying benefits to, or otherwise disadvantaging, an individual unfairly in the course of employment on the basis of the protected grounds (race, national or ethnic origin, colour, religion, age, sex, sexual orientation, gender identity or expression, marital status, family status, disability, genetic characteristics and a conviction for which a pardon has been granted or a record suspended, or any other grounds that apply to affiliates, subsidiaries or to Scotiabank's operations globally).

Harassment, including sexual harassment, can be a form of discrimination where there is conduct, comment(s), gesture(s), or contact related to legally protected ground(s):

- Ø that is likely to cause offence or humiliation to any individual (for example, bringing images or text of a sexual nature into the workplace, or making discriminatory or sexualized jokes or remarks); or
- Ø that might reasonably be perceived as placing a condition of a discriminatory nature on employment or employment opportunities such as training or promotion, or on the provision of financial services.

Complaints of discrimination or harassment will be dealt with promptly, and treated with sensitivity and confidentiality.

For more information on Scotiabank's global policies with respect to harassment and discrimination, refer to the *Human Rights Policy*, *Global Principles on Non-Discrimination in the Workplace*, *Global Harassment Policy* and applicable local policies.

For more information on Scotiabank's human rights commitments that align to the *UN Guiding Principles on business and Human Rights*, refer to our *Global Human Rights Statement* [https://www.scotiabank.com/content/dam/scotiabank/canada/common/documents/Scotiabank_Human_Rights_Statement.pdf].

II. Workplace Health and Safety

Scotiabank is committed to providing a healthy, safe workplace, in compliance with applicable local laws and regulations. This includes a commitment to providing a workplace that is free from violence by maintaining a respectful, non-threatening work environment.

You have an important role to play in creating and maintaining our healthy and safe work environment by:

- Ø becoming familiar with your roles and responsibilities with respect to health and safety, and acquiring the necessary training to fulfill those roles and responsibilities;
- Ø reporting any condition or practice that you believe may be hazardous using one of the options in the Global Raise a Concern Policy or applicable local policies; and
- Ø treating all those you deal with respectfully and professionally, and never acting in a violent, threatening or abusive manner.

Scotiabankers who hold managerial or supervisory roles may have additional health and safety related responsibilities and should be guided by any supplementary local requirements, as applicable.

Honour our Commitments to the Communities in which We Operate

Scotiabank's Environmental, Social, and Governance commitment is driven by developing, implementing and investing in initiatives across our ESG pillars in order to maximize our positive impact. We earn the trust of our clients, shareholders, and each other through being transparent and honouring our commitments.

I. Environmental Protection

As a major international financial institution, our day-to-day operations have a number of direct and indirect impacts on the environment. Scotiabank has taken steps to mitigate these impacts by adopting policies with respect to, for example, environmental credit risk, enhanced social and environmental guidelines for project finance loans, and responsible environmental management of our operational footprint. Scotiabank's *Environmental Risk Management Policy* outlines our approach to managing the Bank's direct and indirect environmental impacts. Our *Climate Commitments* [https://www.scotiabank.com/ca/en/about/responsibility-impact/climate-commitments.html] outline the Bank's approach to addressing the risks and opportunities arising from climate change.

II. Charitable and Community Activities

We are committed to making a positive contribution to the communities in which we operate. All donations or support given on behalf of Scotiabank should be made in accordance with the *Global Donations and Community Sponsorships Policy* and applicable policies.

In special cases, your manager/supervisor or another senior officer may approve the use of Scotiabank equipment, facilities or staff time for charitable activities. Otherwise, as much as possible, charitable and community activities are to be limited to non-business hours.

Charitable donations:

When soliciting charitable donations or support, whether on behalf of Scotiabank or another organization, you should emphasize the voluntary nature of the donation or support. No one should feel pressured to contribute to fundraising campaigns and/or under no circumstances are you permitted to give preferential treatment to employees who may contribute to solicited charities.

III. Political Activities

a. Political Activities and Donations in the Name of Scotiabank

To avoid conflicts of interests with political or state entities or the perception of an attempt to encourage favourable treatment of the Bank or a subsidiary, Scotiabank does not make political contributions.

b. Personal Political Participation

Scotiabank considers participation in the political process to be an important contribution to the community and a personal decision that is subject to individual discretion. No one in Scotiabank

may require anyone to:

- Ø personally contribute to, support or oppose any candidate or political organization; or
- Ø refrain from personal political activity, providing that activity is not prohibited by law and is not conducted on Scotiabank's time or using its facilities or resources, does not interfere with job performance, and does not present a conflict of interest.

However, the time and attention devoted to these activities should not interfere with your job performance, or present any other kind of conflict. Before running for office or accepting a political appointment, discuss your intention with your manager/supervisor to ensure there will not be a conflict.

When engaging in personal political activities outside of work, make it clear that those activities are not being conducted on behalf of Scotiabank. The use of Scotiabank equipment, facilities, staff or other resources to conduct political activities is prohibited.

Any questions about your involvement in political fundraising events or activities should be directed to the Government Affairs Department.

IV. Other Voluntary Commitments and Codes of Conduct

Some countries, subsidiaries or specialized areas may have voluntary commitments or codes of conduct that apply to you (e.g., industry codes of conduct).

b. Commitments by Scotiabank

It is important that we honour our public commitments and adhere to voluntary undertakings to which Scotiabank has agreed to be bound. Scotiabankers are expected to be aware of and comply with those public commitments that apply to their area of responsibility.

c. Professional Codes of Conduct

Many professions and professional bodies have codes of conduct or ethics to which they expect their members to adhere. If a Scotiabanker comes across an instance where a profession's code of conduct conflicts with our Code, inform your manager/supervisor and the Compliance Department immediately. In most cases, you should follow the more stringent requirement to the extent the conflict exists.

Scotiabankers should acquaint themselves with these voluntary commitments or codes of conduct as they may be required to acknowledge them on an annual or other basis.

Key Sources of Guidance and Advice

As appropriate, speaking with your manager/supervisor or another senior leader within your business unit is the first step in escalating your concern (please see the options in the *Global Raise a Concern Policy* for more information). If this is not feasible, or if you wish to pursue a different avenue for escalation or require additional assistance, consult one of the sources listed below.

ISSUE	ADDITIONAL SOURCES OF GUIDANCE AND ADVICE
Accounting and auditing concerns, suspected fraudulent activity and whistleblowing retaliation / retribution	Submit a report through the Whistleblower website at Scotiabank.EthicsPoint.com (English, French or Spanish language and option to remain anonymous).
Bribery & Corruption	Refer to your designated Compliance Department or the *Scotiabank Global Anti Bribery & Anti-Corruption Policy* or email: ABAC@scotiabank.com
Criminal activity (known or suspected)	Incidents may be reported to Corporate Security and will be handled during regular business hours (Monday to Friday 9-5 EST) at cs.intake@scotiabank.com. After hours emergencies should be reported to the Security Operations Centre at (416) 866-5050 or CS.SOC@bns.scotiabank.com
Customer complaint resolution policies	Escalated Customer Concerns Office – 1-877-700-0043 Email: escalatedconcerns@scotiabank.com All others: Your designated Compliance Department
Concerns relating to senior executives or the governance of the Raise a Concern program	Concerns may be raised to the Board of Directors by emailing the Chair of the Board at chair.board@scotiabank.com in situations that warrant review outside of the regular channels.
Confidential advice regarding workplace concerns	Staff Ombuds Office Phone (from Canada and the U.S.): 1-800-565-7810 (English, Spanish) 1-800-565-7804 (French) Phone (International – Call collect during Toronto business hours): 1-416- 866-4330 (English, Spanish, French) Email: staff.ombudsman@scotiabank.com
Conflict of Interest	Your designated Compliance Department or Global Compliance, Enterprise Conduct, Risk Culture & Ethics (Toronto) E-mail: Conduct.Risk@scotiabank.com
Workplace Concerns (Treatment/Harassment, etc.)	Employee Relations, by contacting Ask HR (in Canada) or Your local Human Resources Department or submit a confidential report through the Whistleblower website at Scotiabank.EthicsPoint.com (English, French or Spanish language) or refer to the *Whistleblower Policy.*
Inside information, information barriers, trading restrictions and Insider Trading	Compliance Control Room (Toronto) E-mail: compliance.controlroom@scotiabank.com
Money Laundering / Terrorist Financing or Sanctions (Known or Suspected)	Your designated Anti-Money Laundering Compliance Officer or Local Sanctions Officer or AML Risk Executive Offices (Toronto)
Privacy, including releasing information and breaches of privacy (clients, employees or other individuals)	The Canadian Branch Network: Please contact ask.operations@scotiabank.com or 1-844-301-8822 All others: Use one of the options in the *Global Raise a Concern Policy* or contact your designated Compliance Department or Enterprise Privacy Office (Toronto) E-mail: privacy@scotiabank.com
Procurement (sourcing, contracting and purchasing) inquiries	Global Procurement Services (Toronto) Email: AskGPS@scotiabank.com
Safeguarding Scotiabank facilities and Assets	Security Operations Centre at (416) 866-5050 or CS.SOC@bns.scotiabank.com
Safeguarding electronic information (cyber-crime and data security matters, e.g., Data Loss Prevention)	E-mail: asksecurity@scotiabank.com To report an incident, contact the 24/7 Cyber Security Hotline Phone: (416) 288-3568 / 1-833-970-1239 (Toll Free) Email: cyber.security@scotiabank.com