

SCOTIABANK LONDON

2018 GENDER PAY GAP REPORT



Our commitment

At Scotiabank, we are committed to fostering a diverse, inclusive environment that allows customers and employees to reach their fullest potential. We strive to respect and appreciate all individuals and to embrace both our differences and similarities, inclusive of gender, ethnicity, ability or sexual orientation. Scotiabank has equal pay for equal work. Employees in the same role and level within each market, with similar performance, experience and tenure, are paid comparably. The "gender pay gap" discussed in this report is significantly different as it only examines the average difference between the remuneration for men and women who are working, across all roles.

We know that our ability to build an inclusive environment with diverse skills and expertise is critical to meeting our customers' needs, and attracting, developing and retaining talent. We strive to create a workplace in which every employee is empowered and engaged, providing them with multiple opportunities to grow.

Scotiabank's U.K. based business, "Scotiabank London", is part of Global Banking and Markets, the wholesale banking division of the Bank. Overall, our business in London employs just over 300 people, with women accounting for 36 percent of the population in a wide range of roles, levels and departments.

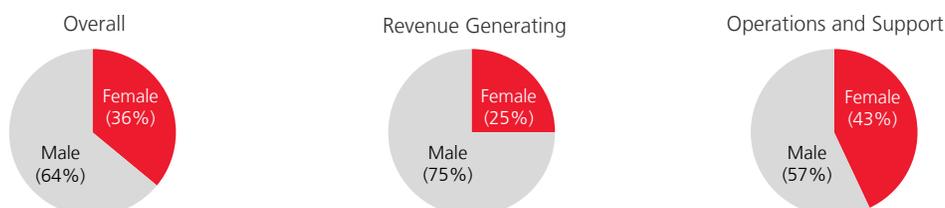
Although we have made progress, there is a disproportionate representation of men in front office roles. This is consistent throughout the wholesale banking industry which leads to a larger pay gap. Such income discrepancies are evident across a number of industries.

Scotiabank is investing significantly in improving our workforce planning and training to improve gender diversity.

Scotiabank London is comprised of two distinct business groups: revenue generating (RG) product groups and operational and support (OS) functions. Within each group, there are 10 job levels, which vary widely in terms of responsibilities, skills and experience. Remuneration for all roles and levels, whether in RG groups or OS functions, is competitive within the local market. It is the gender distribution between the two groups that impacts our gender pay gap.

Scotiabank has equal pay for equal work, whether or not legally required, and conducts regular reviews, benchmarking and internal reporting in support of this goal. This means that employees in the same role and level within each market, with similar performance, experience and tenure, are paid comparably.

Year over year, we have seen a slight increase in overall female headcount relative to male.*



Scotiabank monitors the overall hourly fixed pay and bonus for revenue generating product groups and operational and support functions to ensure that we remain competitive in the market and apply a consistent approach across our teams.

In the gender pay gap reporting regulations, gender pay gap is defined as the difference between the earnings of male and female employees, expressed relative to male employee earnings (for example, women are paid X% less than men).

The pay and bonus gap, as shown in the data below, primarily results from an uneven distribution of women across each pay quartile of the business. This is because there are some departments and roles where we have few or no women.

	Overall		Revenue Generating Product Groups		Operational and Support Functions	
	Mean*	Median*	Mean	Median	Mean	Median
Hourly fixed pay**	42%	35%	41%	31%	20%	27%
Bonus**	66%	67%	56%	64%	40%	42%

*The mean is the average of a list of numbers. The median is the middle value of all of the numbers listed in numerical order.
 **Since our 2017 report, our overall hourly fixed pay gap improved by 2 percentage points and our overall bonus gap improved by 6 percentage points.

Employees receiving a bonus

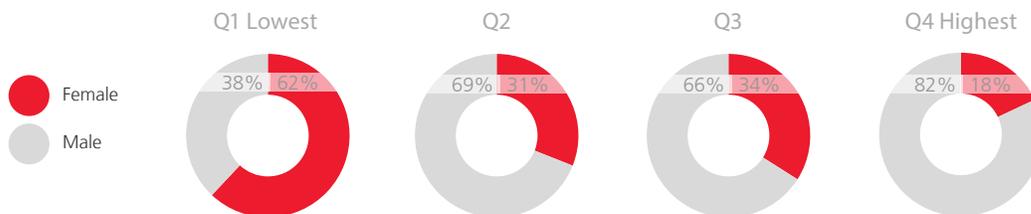
The table below shows the overall percentage of male and female employees receiving a bonus within the 12-month period preceding the April 2018 snapshot date. All employees who are employed at fiscal year-end* are eligible to participate in an annual incentive plan.

	Male	Female
Overall	93%	89%
Revenue Generating	98%	97%
Operations & Support	88%	86%

*Generally, employees who did not receive a bonus joined after the end of the Bank's October 31st fiscal year end.

The disproportionate representation of men in front office roles throughout the wholesale banking industry leads to a larger pay gap. This income discrepancy is evident across a number of industries. We have work to do to increase gender diversity at senior levels and we are investing significantly in improving our workforce planning and training to deliver on this goal.

The charts below show the distribution of male and female employees across four equally-sized quartiles of the business, dividing the employee population into four groups from lowest to highest paid. The data is indicative of the fact that Scotiabank London has more men in senior, highly-paid positions than women.



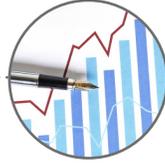
Our journey to closing the gap



Proactive Diversity & Inclusion Committee



Focus on Recruitment



Aligned metrics to objectives



Tailored and focused Training



Support for all employees

Scotiabank is committed to building a truly inclusive workplace with more women at every decision-making table, and in all settings across the Bank.

We continue to implement initiatives that focus on gender diversity to help us attract, hire, develop, promote and retain top talent, supporting our goal of building a foundation that creates opportunities for more women in senior and more highly-paid positions as our workforce shifts and changes.

Some of the initiatives we have recently undertaken to close the gap are:

Diversity & Inclusion Committee

- Ongoing commitment and drive through our U.K. Diversity & Inclusion Committee.
- We continue to implement our Enhanced Maternity Pay Policy and encourage use of our onsite Wellness Room to support new mothers.
- Increased exposure for all employees to local and global senior women leaders.
- Our 2018 mentorship programme has 49% female participation.

Focus on Recruitment

- We continue to have female representation on interview panels and each job vacancy must include a diverse pool of both male and female candidates.

Metrics and Leadership Alignment

- Management objectives to ensure there is consideration for women where potential promotion and development opportunities arise.
- Gender diversity remains a standing agenda item on the Executive Committee and Remuneration Committee meetings.

Training

- Internal training courses introduced in 2018 specific for women.
- Our global mandatory learning programme contains five modules addressing harassment, violence, gender identity and accessibility.

Support for all employees

- Recently launched a New Parent Support Scheme.
- A review is currently being conducted of family and flexible working policies and practices.

Declaration

I confirm that the Scotiabank London Gender Pay Gap calculations featured in the above report are accurate.

Peter Heidinger
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