

SCOTIABANK INVESTOR SOLUTIONS

Fixed Income Structured Notes

Customized fixed income solutions tailored to meet your investment goals and income needs.

Scotiabank[®]



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Fixed Income Structured Notes Overview

Scotiabank Fixed Income Structured Notes (“Notes”) are senior unsecured debt obligations issued by The Bank of Nova Scotia (the “Bank”), that pay a return or have a variable maturity that is linked to the performance of an underlying interest rate or an interest rate benchmark. Notes are customizable investment solutions which can be tailored to allow investors to express market views, enhance yield, hedge existing portfolio risk and meet cash flow requirements, all while having their principal repaid.

Key Features



Enhanced Returns

Investors have the potential to earn above market returns in exchange for Scotiabank’s option to extend the Note maturity or option to call the Note prior to maturity



Capital Preservation

100% of the principal invested is repaid at maturity



Diversification

Notes can be structured to have low correlation with traditional fixed income investments and can be linked to a variety of interest rate benchmarks



Customization

Notes can be tailored to express an outlook on forward interest rates or the shape of the yield curve, or to hedge existing interest rate exposure



Liquidity

Scotiabank maintains a daily secondary market for notes



Duration

Investors can tailor notes to a targeted duration strategy without a significant yield compromise



Stability

Scotiabank is a Domestic Systemically Important Bank and through fixed income notes, investors can gain access to longer term Canadian Schedule 1 Bank credit

May be right for an investor who:

- Is seeking to potentially maximize yields
- Is seeking the potential to receive returns linked to the performance of an underlying benchmark
- Values the repayment of the principal invested
- Requires a customized cash flow schedule
- Is looking to express a view on interest rates or the shape of the yield curve
- Is looking to hedge existing fixed income positions or obligations

Scotiabank Overview

The Bank of Nova Scotia is one of Canada's largest banks with a strong presence across the Americas. The Bank offers personal and commercial banking, wealth management and private banking, corporate and investment banking, and capital markets.

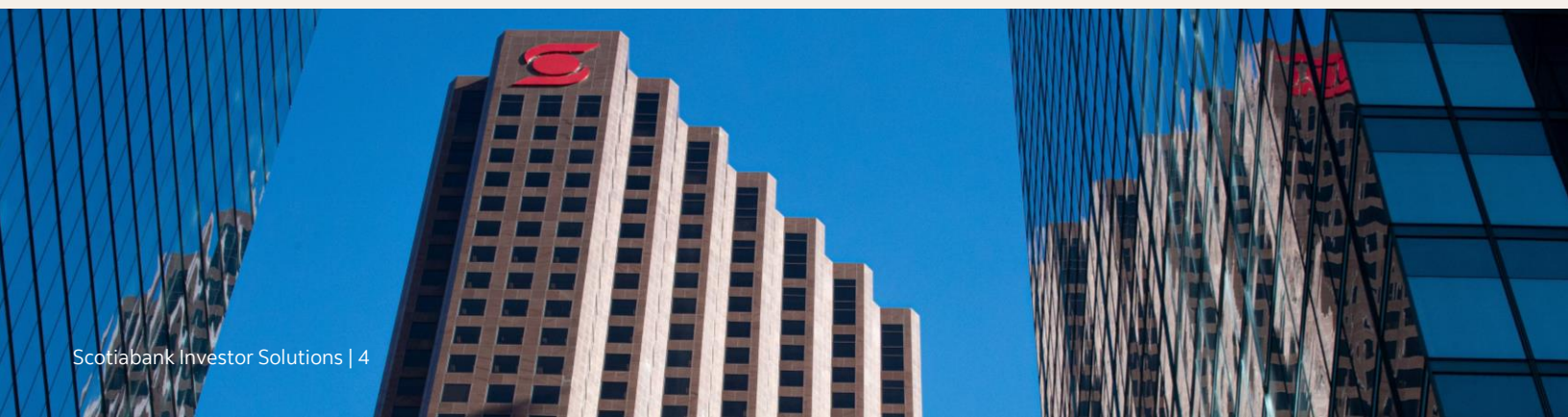
Global Banking and Markets (GBM) conducts the Bank's wholesale banking and capital markets business with corporate, government and institutional investor clients. GBM is a full-service wholesale bank and investment dealer in Canada and Mexico and offers a range of products and services in the U.S., Latin America and in select markets in Europe, Asia and Australia.

Why Scotiabank for Fixed Income Structured Notes?

	Fiscal Year Ended October 31, 2024
Market Capitalization (million)	89,214
Total Revenue (million)	33,670
Net Income (million)	7,892
Total Assets (billion)	1,412
Assets Under Administration (million)	771,454

BNS Credit Ratings

	Moody's	Morningstar DBRS	Standard & Poor's	Fitch Ratings
Legacy Senior Debt	Aa2	AA	A+	AA
Bail-In Senior Debt	A2	AA (low)	A-	AA-
Short Term Deposits	P-1	R-1 (high)	A-1	F1+
Outlook	Stable	Stable	Stable	Stable



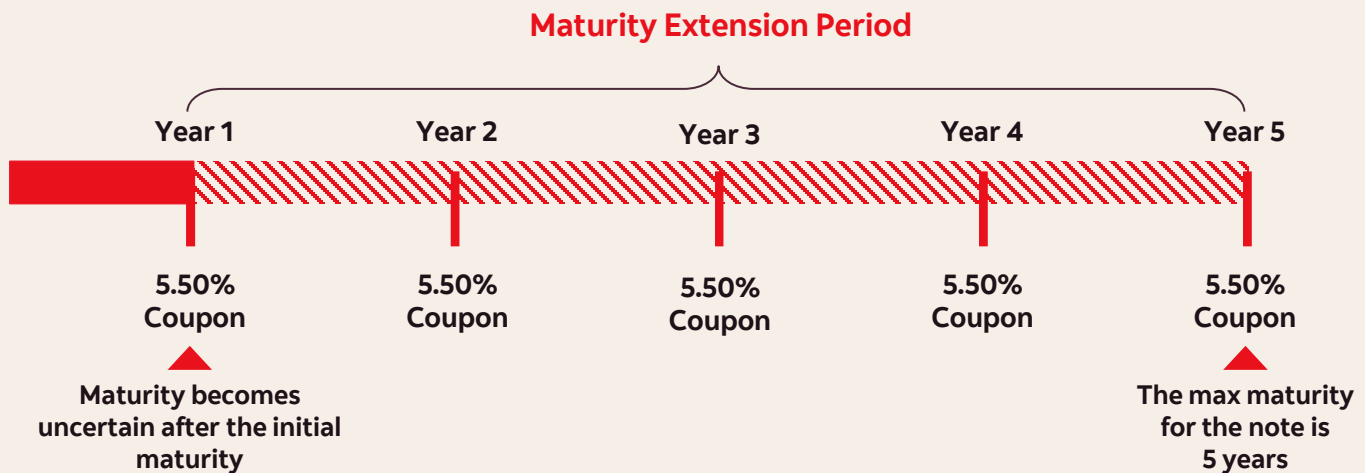
Extendible Fixed Coupon Notes

This structure is a Scotiabank senior debt obligation that pays a periodic fixed coupon and is subject to an optional maturity extension at the bank's discretion. The extension option allows The Bank to extend the term of the Notes, on pre-determined dates, up to a final extended maturity date. The term cannot be extended beyond the final extended maturity date. Coupons are paid on a periodic basis to investors until the Note matures on its initial maturity date or is no longer extended. In exchange for this extension feature, the Notes provide investors with the potential to earn enhanced yields when compared to traditional fixed income investment products.

Investor View or Needs

- Investor requires certainty of payment of fixed coupons to the initial maturity date
- Seeking potential for enhanced yield as compared to traditional fixed income instruments
- Comfortable with the uncertainty of the term of the notes
- Value repayment of principal invested

Hypothetical Payoff



Scenario Breakdown

Scenario 1:

Interest rates on the extension date are lower than anticipated at issuance.

The Bank is **less** likely to extend the term of the Note. If the Note maturity is not extended, the Note matures, and the investor will receive their principal back and the related coupon payment and no further coupon payments will be made.

Scenario 2:

Interest rates on the extension date are higher than anticipated at issuance.

The Bank is **more** likely to extend the term of the Note. If the Note maturity is extended, the investor will continue to receive coupon payments, and the Note will remain outstanding.

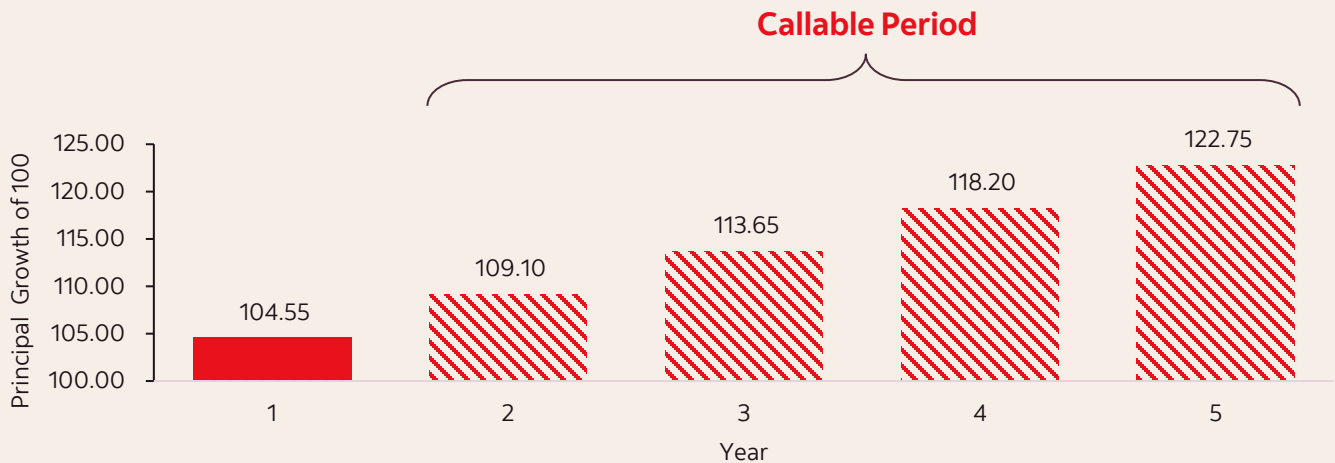
Callable Linear Accrual Note

This structure is a Scotiabank senior debt obligation that pays an accrued interest at maturity and is subject to a call option in favour of the Bank, which if exercised, shortens the term of the Note. The interest will accrue linearly and will not compound. The call option allows Scotiabank to redeem the Note on pre-determined call dates prior to the maturity date and return the principal amount invested on the applicable call date. Additionally, in exchange for no compounding of the coupons, investors will receive a higher interest rate as compared to the interest rate paid on a callable compounding accrual note of the same tenor.

Investor View or Needs

- Investor does not require periodic fixed coupons
- Potential to receive a higher coupon as compared to conventional fixed term interest rate products
- View that rates will decline faster than anticipated, and the note will be called by the bank prior to maturity
- Comfortable with tenor between the initial term and final maturity
- Value principal repayment

Hypothetical Payoff



Scenario Breakdown

Scenario 1:

Interest rates on the call date are lower than anticipated at issuance.

Scotiabank is **more** likely to call the note. If the note is called, the investor would receive their full principal and all of the accrued interest to the call date.

Scenario 2:

Interest rates on the call date are higher than anticipated at issuance.

Scotiabank is **less** likely to call the note. If the note is not called, the coupons would continue to accrue and the principal and accrued interest would be paid at maturity.

Extendible Step-up Coupon Note

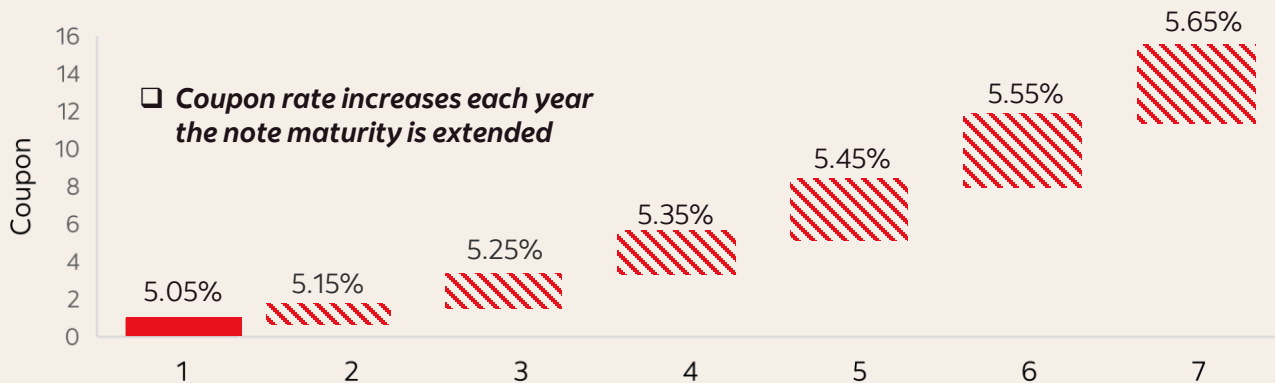
This structure is a Scotiabank senior debt obligation that is subject to an optional maturity extension and will pay a coupon that increases or “steps-up” for every year the Note maturity is extended. The term cannot be extended beyond the final extended maturity date. Coupons are paid to investors until the initial maturity date or if extended, to the extended maturity date. In exchange for this extension feature, investors are compensated for the uncertainty of the term of the Note with potential enhanced yields when compared to traditional fixed income investment products.

Investor View or Needs

- Investor requires fixed coupons that increase every year the note maturity is extended
- Seeking the potential for enhanced yields compared to traditional fixed income instruments
- Has a view that rates will decline by less than anticipated
- Comfortable that the note may be extended beyond the initial maturity date to the final extended maturity date
- Value principal repayment

Hypothetical Payoff

Initial Maturity: 1 year
Final Maturity: 7 years
Extension Frequency: Annually



Scenario Breakdown

Scenario 1:

Interest rates on the extension date are lower than anticipated at issuance.

Scotiabank is **less** likely to extend the term of the note. If the note maturity is not extended, the note matures, and the investor will receive their principal back and coupon payments will be discontinued.

Scenario 2:

Interest rates on the extension date are higher than anticipated at issuance.

Scotiabank is **more** likely to extend the term of the note. As a result, the coupons would continue to step-up each year and the investor will receive a higher annualized rate of return as the maturity is extended.

Notes Tailored Specifically For You

Structured notes are flexible and customizable to meet the unique investment needs and risk/return objectives of investors. The following components of notes can be structured as per client request.

Feature	Customization Options
Final Maturity Period	2 - 20 years
Initial Maturity Period	6 months - 5 years
Call or Extension Frequency	Monthly, Quarterly, Semi-Annually and Annually
Coupon Frequency	Monthly, Quarterly, Semi-Annually and Annually
Structure	Fixed Accrual Step-up
Currency	CAD USD

Fixed Income Notes Strategy Matrix

Notes can be tailored to allow clients to express outright views or target specific duration strategies.

Fixed Income Structured Notes	Rate Movement Expectation		
	Significant Decrease (Significant Rally)	Mild Decrease (Mild Rally)	Mild Increase (Mild Rates Sell-off)
	-150bps	-50bps	+50bps
Long-Term	Max-Term Extendible Fixed or Callable Linear Accrual Maximum Initial Maturity Period	Max-Term Extendible Fixed or Callable Linear Accrual Maximum Initial Maturity Period	Long-Term Extendible Fixed or Callable Linear Accrual Mid-Range Initial Maturity Period
Duration Neutral (Maximum Upfront Yield)	Long-Term Callable Linear Accrual Minimum Initial Maturity Period	Long-Term Callable Linear Accrual Minimum Initial Maturity Period	Long-Term Callable Linear Accrual Minimum Initial Maturity Period
Short-Term	Short-Term Extendible Fixed or Callable Linear Accrual Minimum Initial Maturity Period	Short-Term Extendible Fixed or Callable Linear Accrual Minimum Initial Maturity Period	Short-Term Extendible Step-Up Minimum Initial Maturity Period

Terminology

	Structure Type	Term	Initial Maturity Period
Extendible Fixed Coupon	Fixed Coupon Note with a discretionary issuer-option to extend the maturity beyond the initial maturity date up to and including the final extended maturity date	Max	20 years
		Long	10+ years
		Medium	5-10 years
		Short	2-5 years
Extendible Step-Up	Coupon Note with a discretionary issuer-option to extend the maturity beyond the initial maturity date, paying a coupon rate that increases or “steps-up” for every year of extension. Maturity can be extended up to and including the final extended maturity date	Max	5 years
		Min	1 year
Callable Linear Accrual	Callable Linear Accrual Note that will accrue interest with no compounding. Interest will be paid only at maturity. The investor will give up compounding on interest in exchange for a higher upfront rate	Mid-Range	2-4 years



Contact Us

Investor Solutions

T:416.863.7891

investor.solutions@scotiabank.com

Scotiabank | Global Banking and Markets

40 Temperance Street, 4th Floor
Toronto, ON M5H 0B4

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