FIRST SUPPLEMENT DATED 9 DECEMBER 2025 TO THE PROSPECTUS DATED 10 OCTOBER 2025

Scotiabank

THE BANK OF NOVA SCOTIA

(a Canadian chartered Bank)

CAD100,000,000,000

Global Registered Covered Bond Program

Unconditionally and irrevocably guaranteed as to payments of interest and principal by

SCOTIABANK COVERED BOND GUARANTOR LIMITED PARTNERSHIP

(a limited partnership established under the laws of the Province of Ontario)

The Bank of Nova Scotia (the "**Issuer**" or the "**Bank**") issued a prospectus dated 10 October 2025 (the "**Prospectus**") which is a base prospectus for the purposes of Article 8 of the UK Prospectus Regulation (as defined below) in respect of Covered Bonds listed on the Official List of the Financial Conduct Authority and admitted to trading on the Main Market of the London Stock Exchange plc and Admission Particulars in respect of Covered Bonds to be admitted to trading on the International Securities Market of the London Stock Exchange plc. This first supplement (the "**First Supplement**") constitutes a supplement in respect of the Prospectus for the purposes of Article 23 of the UK Prospectus Regulation and supplementary admission particulars in respect of the Admission Particulars for the purposes of the ISM Rulebook, and is prepared in connection with the CAD100,000,000,000 Global Registered Covered Bond Program unconditionally and irrevocably guaranteed as to payments of interest and principal by Scotiabank Covered Bond Guarantor Limited Partnership (the "**Guarantor**") (the "**Program**") established by the Bank. When used in this First Supplement, "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended.

Terms defined in the Prospectus have the same meaning when used in this First Supplement. This First Supplement is supplemental to, and shall be read in conjunction with, the Prospectus and any other supplements to the Prospectus issued by the Bank from time to time.

Each of the Bank and the Guarantor accepts responsibility for the information contained in this First Supplement. To the best of the knowledge of each of the Bank and the Guarantor, the information contained in this First Supplement is in accordance with the facts and this First Supplement makes no omission likely to affect its import.

1. Purpose of the First Supplement

The purpose of this First Supplement is to (a) incorporate by reference the Bank's 2025 annual information form and the annual audited consolidated financial statements and management's discussion and analysis as at and for the years ended 31 October 2025 and 31 October 2024, prepared in accordance with International Financial Reporting Standards ("**IFRS**"), and as set out in the Bank's 2025 Annual Report (as defined below); (b) following the release of the Bank's management's discussion and analysis as at and for the years ended 31 October 2025 and 31 October 2024, update the risk factors in the Prospectus; (c) update the section entitled "**CAUTION REGARDING FORWARD-LOOKING STATEMENTS**" set out in the Prospectus; (d) update the section entitled "**Legal and Arbitration Proceedings**" in the Prospectus regarding governmental, legal or arbitration proceedings which may have, or have had in the recent past, significant effect on the financial position or profitability of the Bank or the Bank's subsidiaries; and (e) update the "**General Information**" section of the Prospectus in relation to any significant change in the financial performance or financial position or material adverse change in the prospects of the Bank and its subsidiaries, including the Guarantor.

2. Document Incorporated by Reference

By virtue of this First Supplement, the following documents are incorporated in and form part of the Prospectus:

(i) the Bank's annual information form dated 2 December 2025, excluding all information incorporated therein by reference (the "**2025 AIF**"); and

(ii) the Bank's annual audited consolidated financial statements as at and for the years ended 31 October 2025 and 31 October 2024, prepared in accordance with IFRS, together with the auditors' reports thereon and management's discussion and analysis of the financial condition and financial performance for the years ended 31 October 2025 and 31 October 2024, all as set out on pages 16 to 138 and 139 to 232 of the Bank's 2025 Annual Report (the "**2025 Annual Report**"). The remainder of the 2025 Annual Report is not incorporated in the Prospectus and is either covered elsewhere in the Prospectus or deemed not relevant to investors.

In accordance with Article 4.1 of Regulation (EC) 1060/2009 on Credit Rating Agencies as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**UK CRA Regulation**"), please note that the 2025 AIF contains references to credit ratings and information on pages 13 to 14 and the management's discussion and analysis and the audited consolidated financial statements contain references to credit ratings and information on pages 68 to 69.

Copies of the documents (or relevant sections thereof) described above incorporated by reference have been filed with the Financial Conduct Authority and, by virtue of this First Supplement are incorporated in, and forms part of, the Prospectus for the purposes of Article 8 of the UK Prospectus Regulation.

The Bank's 2025 AIF is available at the following link:

https://www.scotiabank.com/content/dam/scotiafunds/documents/AIF_2025.pdf

The Bank's 2025 Annual Report is available at the following link:

https://www.scotiabank.com/content/dam/scotiabank/corporate/quarterly-reports/2025/q4/Annual_Report_2025_EN.pdf

To the extent that any document or information incorporated by reference in this First Supplement itself incorporates any other documents or information by reference therein, either expressly or implicitly, such other document or information will not form part of this Prospectus for the purposes of the UK Prospectus Regulation or the ISM Rulebook, except where such other document or information is specifically incorporated by reference into or attached to this First Supplement.

3. Risk Factors in the Prospectus

The section entitled "**1. Risks relating to the Issuer.**" under the heading "**RISK FACTORS**" on pages 32 to 44 of the Prospectus is deleted and replaced with the following:

"**1. Risks relating to the Issuer**

1.1 Principal Risks.

As a large, international financial services company, the Issuer faces risks that are inherent in the businesses and marketplaces in which it operates. As part of its risk management framework, the Issuer has a comprehensive risk identification and assessment process. This includes, on an annual basis, an Issuer-wide risk assessment that identifies and evaluates the risks faced by the Issuer. From this assessment, management determines on an annual basis, a list of principal risks, which includes those risks which management considers of primary importance and having a significant impact or influence on the Issuer's primary business and revenue generating activities or inherent in the Issuer's business and can have significant negative strategic, business, financial and/or reputational consequences.

1.1.1. 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 Issuer. Credit risk arises in the Issuer's direct lending operations, and in its funding, investment and trading activities where counterparties have repayment or other obligations to the Issuer.

The Issuer's credit exposure includes (i) corporate and commercial, (ii) traded products and (iii) retail. Traded products are transactions such as OTC derivatives (including foreign exchange and commodity based transactions), Securities Financing Transactions (including repurchase/reverse repurchase agreements, and securities lending/borrowing), and on-exchange instruments. See the table entitled "*Total credit risk exposures and risk-weighted assets*" on page 127 of the Issuer's 2025 Annual Report incorporated by reference in the Prospectus for more information. The Issuer's credit risk framework and policies set 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. The Issuer's credit risk rating system is subject to a comprehensive validation, governance and oversight framework, and is regularly reviewed. The Issuer's regional credit risk is spread across its key markets (Canada 68 per cent., United States 8 per cent., Chile 7 per cent., Mexico 6 per cent. and Other 11 per cent.).

For the year ended 31 October 2025, the Issuer's provision for credit losses totalled \$4,714 million (\$4,051 million for the year ended 31 October 2024). The Issuer makes provisions as an estimate of expected future credit losses in its portfolio of performing and impaired loans across portfolios. The provisions are based on several assumptions and accordingly actual losses may differ from the estimates. Notwithstanding such provisions and the efforts made to manage such risks diligently, there is no guarantee that procedures put in place can assess accurately and mitigate all of the risks of exposure to borrowers and counterparty's failure to honour contractual obligations or the worsening of the credit rating of borrowers and counterparties, and the failure of any such procedures may negatively impact the Issuer's financial condition, reputation and/or results of operations.

1.1.2. 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.

The board of directors (the "**Board of Directors**") reviews and approves market risk policies and limits annually. The Issuer's asset-liability committee ("**ALCO**"), Treasury Risk Committee ("**TRC**") and market risk management and policy committee ("**MRMPC**") oversee the application of the framework set by the Board of Directors and monitor the Issuer's market risk exposures and the activities that give rise to these exposures. The MRMPC and TRC establish specific operating policies and sets limits at the product, portfolio, business unit and business line levels, and for the Issuer in total. Limits are reviewed at least annually. Global risk management provides independent oversight of all significant market risks, supporting the MRMPC, TRC and ALCO with analysis, risk measurement, monitoring, reporting, proposals for standards and support for new product development. The Issuer 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 are value at risk ("**VaR**"), stress testing, and sensitivity analysis.

Market risk arises in the Issuer's (a) trading activities and (b) non–trading activities, with the two principal non-trading market risks being the risks of interest rate and exchange rate volatility, described further below. The market risk arising from the Issuer's trading activities is managed in accordance with Board of Directors-approved policies, and aggregate VaR and stress testing limits. 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, Global Risk Management 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. The quality of the Issuer'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. See the table entitled "*Trading market risk*" on page 100 of the 2025 Annual Report incorporated in the Prospectus by reference for more information on the VaR by type of market risk.

The Issuer is subject to interest rate risk arising from the Issuer's lending, funding and investment activities and 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 mortgage prepayment rates. The Issuer has adopted policies and global limits to control the risk to net interest income and the economic value of shareholders' equity.

The Issuer's interest rate risk exposure 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 to a maturity profile based on the longevity of the exposure.

The table below (non-trading interest rate sensitivity) shows the pro-forma after tax impact on the Issuer's net interest income over the next 12 months and economic value of shareholders' equity of an immediate and sustained 100 basis points increase and 100 basis points decrease in interest rates across major currencies as defined by the Issuer. 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.

	2025						2024	
	Economic Value of Equity			Net Interest Income				
As at October 31 ($ millions)	Canadian dollar	Other currencies	Total	Canadian dollar	Other currencies	Total	Economic Value of Equity	Net Interest Income
Pre-tax impact of								
100bp increase in rates								
Non-trading risk	**$ (616)**	**$ (952)**	**$ (1,568)**	**$ 247**	**$ (11)**	**$ 236**	$ (1,338)	$ (21)
100bp decrease in rates								
Non-trading risk	**$ 530**	**$ 671**	**$ 1,201**	**$ (224)**	**$ (21)**	**$ (245)**	$ 780	$ (31)

Foreign currency risk is the risk of loss due to changes in spot and forward rates and it arises in the Issuer's unhedged funding and investment activities primarily from the Issuer's net investment in foreign operations as well as foreign currency earnings in its domestic and remitting foreign branch operations. The Issuer's revenues, expenses and income denominated in currencies other than the Canadian dollar are subject to fluctuations in the movement of the Canadian dollar relative to such currencies.

As at 31 October 2025, a one per cent. increase (or decrease) in the Canadian dollar against all currencies in which the Issuer operates decreases (increases) the Issuer's before-tax annual earnings by approximately $40 million (31 October 2024 – $45 million) in the absence of hedging activity, primarily from exposure to the U.S. dollars from the Issuer's business in the U.S. and activities conducted internationally in this currency and from exposure to Latin American currencies. A similar change in the Canadian dollar as at 31 October 2025 would increase (decrease) the unrealized foreign currency translation losses in the accumulated other comprehensive income in equity by approximately $396 million (31 October 2024 – $324 million), net of hedging. A strengthening or weakening of the Canadian dollar compared to the U.S. dollar, Mexican peso, Peruvian Sol, Colombian Peso and Chilean Peso could reduce or increase, as applicable, the translated value of the Issuer's foreign currency denominated revenue, expenses and earning and could have a significant impact on the Issuer's overall business and financial results. For information on impact of foreign currency translation, see table entitled "*Impact of foreign currency translation*" on page 30 of the Issuer's 2025 Annual Report.

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 Issuer 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.

Credit valuation adjustment ("**CVA**") risk is the adjustment to risk-free mark-to-market value of transactions to account for the potential default of a counterparty. CVA risk is defined as the market risk of losses arising from changing CVA values in response to changes in counterparty credit spreads and market risk factors that drive prices of derivative transactions. CVA aims to identify the impact of counterparty risk.

The Issuer 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. 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.

The Issuer has adopted specific policies to manage market risk, including CVA risk and the monitoring of the associated foreign exposure limits described above. Despite such policies, the Issuer remains exposed to the risks of fluctuations in currency and risk of loss as a result of market risks which may have a negative impact on the business, financial condition and/or results of operations of the Issuer.

1.1.3. Liquidity Risk.

Liquidity risk is the risk that the Issuer 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.

Liquidity risk is managed through a framework and supporting policies as well as limits that are approved by the Board of Directors. The Board of Directors receives reports on risk exposures and performance against approved limits. The ALCO and the TRC provide senior management oversight of liquidity risk.

The Issuer 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 Issuer's derivative instruments is summarized in Note 9 (Derivative Financial Instruments) of the consolidated financial statements.

Liquid assets are a key component of liquidity management and the Issuer holds these types of assets in sufficient quantity to meet potential needs for liquidity management. The Issuer maintains large holdings of unencumbered liquid assets to support its operations. These assets generally can be sold or pledged to meet the Issuer's obligations. As at 31 October 2025, unencumbered liquid assets were $327 billion, and $310 billion as at 31 October 2024. The Issuer's liquidity pool is held across major currencies, mostly comprised of Canadian and U.S dollar holdings.

Liquidity risk is measured and controlled through a range of metrics with applicable limits, including the liquidity coverage ratio, net stable funding ratio, net cumulative cash flow, funding concentration, minimum liquidity buffer, maximum amount of pledged assets, minimum liquidity stress surplus, and maximum cash gaps guidance levels.

The Issuer is required to maintain an adequate level of unencumbered high-quality liquid assets that can be converted into cash to meet liquidity needs over a 30 calendar day horizon under a pre-defined significantly severe liquidity stress scenario. This is measured by the liquidity coverage ratio ("**LCR**") which is based on a 30-day liquidity stress scenario, with assumptions defined in the Liquidity Adequacy Requirements Guideline issued by OSFI. The LCR is calculated as the ratio of high-quality liquid assets to net cash flows. Currently, the Issuer is subject to a regulatory minimum LCR of 100 per cent. The Issuer's LCR as at 31

October 2025 was 128 per cent. and 131 per cent. as at 31 October 2024. For additional information on the Issuer's LCR, see table on page 106 of the Issuer's 2025 Annual Report. Effective liquidity risk management is essential to maintain the confidence of depositors and counterparties, to manage the Issuer's cost of funds and support its core business activities even in adverse circumstances. Any significant deterioration in the Issuer's liquidity position may lead to an increase in funding costs or constrain the volume of new lending. These factors may adversely impact the Issuer's profitability and financial performance and condition.

1.1.4. Money Laundering, Terrorist Financing and Sanctions Risk.

Money laundering and terrorist financing ("**ML/TF**") and Sanctions risks are the susceptibility of the Issuer 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 the Issuer does not conform to applicable anti-money laundering ("**AML**") / anti-terrorist financing or sanctions legislation or does not apply adequate controls reasonably designed to detect and deter ML/TF and sanctions violations or to file any required regulatory reports.

The Issuer is subject to the expanding and ever-evolving anti-money laundering/anti-terrorist financing and economic sanctions laws and regulations internationally across the Issuer's footprint. Money laundering, terrorist financing, and economic sanctions violations represent material risk to the Issuer including regulatory, legal, financial and reputational exposure. In the case of economic sanctions, the trend towards retaliatory sanctions laws and regulations and anti-blocking statutes in certain jurisdictions increases the potential for situations to arise involving conflicts of law, due to the Issuer's global footprint.

Regulators have also evidenced an increased focus on risks associated with anti-money laundering and terrorist financing. Sanctions authorities continue to be very active with the number of "listed" persons increasing.

If the Issuer was found to be in breach of its regulatory obligations, it could be subject to a material fine and/or restrictions on its business operations. The Issuer maintains an AML program which includes policies, procedures and control standards relating to client identification and due diligence, transaction monitoring, payment and name screening, as well as investigation and reporting of suspicious activity. The AML program is designed with the goal of preventing, deterring, detecting and reporting suspected money laundering and terrorist financing activities across the organization, and ensuring compliance with the laws and regulations of the various jurisdictions in which the Issuer operates.

1.1.5. Operational Risks.

Operational risk is the risk of loss resulting from people, inadequate processes and systems, or from external events. It exists in some form in each of the Issuer's business and support activities, and third parties with whom the Issuer 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 Issuer's reputation. Operational risk management refers to the discipline of systematic identification, assessment, measurement, mitigation, monitoring, and reporting of operational risk.

Similar to all large organizations, the Issuer is exposed to many types of operational risk, including the risk of fraud by employees or outsiders, unauthorized transactions by employees, temporary loss or shortage of employees, or operational errors, including clerical or record keeping errors or errors resulting from faulty or disabled computer or telecommunications systems. Given the high volume of transactions the Issuer processes on a daily basis, certain errors may be repeated or compounded before they are discovered and successfully rectified. Shortcomings or failures in the Issuer's internal processes, people or systems, including any of the Issuer's financial, accounting or other data processing systems, could lead to, among other consequences, direct or indirect financial loss, regulatory sanctions, and reputational damage. In addition, despite the contingency plans the Issuer has in place, the Issuer's ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports the Issuer's businesses and the communities in which they are located.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Issuer will be unable to comply with its obligations as a company with securities admitted to the Official List or as an authorised firm regulated by the Financial Conduct Authority.

The Issuer's operational risk management framework sets out an integrated approach to identify, assess, control, mitigate and report operational risks across the Issuer. The Issuer applies the standardized approach for calculating operational risk capital as per the applicable Basel Standards. As at 31 October 2025, the risk weighted assets of the Issuer amounted to $ 474.5 billion, $ 55.4 billion of which was for operational risks.

1.1.6. Cyber Security and Information Technology ("IT") Risk.

Cyber security risk is the 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, clients, and other stakeholders. IT 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 Issuer 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 Issuer's operational environment, its customers and other third parties. During the year, the Issuer enhanced its cyber security capabilities, strengthened its risk culture through targeted training and awareness initiatives, and accelerated the remediation of identified issues. These actions were taken to defend against evolving threats and minimize potential impacts to the business.

Cyber security risk arises from multiple threats includes risks in the form of cyber attacks, data breaches, cyber extortion and similar compromises and continues to impact financial institutions and other businesses in Canada and around the globe. Threats are not only increasing in volume but in their sophistication as adversaries use ever evolving technologies and attack vectors. The technology environment of the Issuer, its customers and the third parties providing services to the Issuer, may be subject to attacks, breaches or other compromises. Incidences like these can result in disruption to operations, misappropriation or unauthorized release of confidential, financial or personal information, reputational damage, regulatory investigations and fines, among other things. The Issuer proactively monitors and manages these risks by investing in technology and talent expertise to ensure appropriate risk-based remediation activities, and in enhanced tooling to support the Issuer's ability to improve cyber resiliency and reinforce protection against events and factors outside of its control. In addition, the Issuer purchases insurance coverage to help mitigate against certain potential losses associated with cyber incidents. In the event of a successful cyber attack, the Issuer would be exposed to financial loss, reputational loss, the risk of not achieving its business objectives as well as major disruption in its operations.

(a) Evolving Cyber Threats.

As technology advances, cyber threats continue to evolve in sophistication and scope, which could impact the Issuer directly and/or its third-party service providers. These threats manifest as attacks on critical functions or infrastructure, including but not limited to, client facing systems and may result in financial loss, data theft, regulatory consequences, reputational damage or operational disruption to the Issuer. The inherent risk of cyber 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 artificial intelligence ("**Gen AI**") and large language models ("**LLM**") create additional attack vectors that enable new forms of cyber attacks to commit fraud or exfiltrate sensitive data and personally identifiable information.

The Issuer'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 Issuer 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 the Issuer's needs.

(b) Increasing Reliance on Third Party Services.

The Issuer 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 requires oversight and monitoring of complex third and nth-party arrangements, and their compensating controls. Using third party service providers increases the risk of attacks, breaches, or disruptions due to the Issuer'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 Issuer. Resiliency and preparedness for third party disruptions, including contingency planning and identification of alternative vendors, is an area of increasing focus.

The Issuer 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 Issuer continues to invest in enhancing its governance of third parties, resourcing capabilities, and technology to ensure it manages third party risk prudently. A successful cyber attack on, or data breaches or other compromises involving, third and nth-parties, can result in major disruption to the Issuer's operations, misappropriation or unauthorised release of its confidential, financial or personal information, reputational damage, regulatory investigations and fines, among other things.

1.1.7. Compliance Risk.

Compliance risk is the risk of an activity not being conducted in conformity with applicable laws, rules, regulations, prescribed practices (regulatory requirements), internal policies and procedures, and ethical standards expected by regulators, clients, investors, employees, and other stakeholders. Compliance risk is comprised of regulatory compliance risk, conduct risk, privacy risk and anti-bribery and anti-corruption ("**ABAC**") risk.

Regulatory compliance risk is the risk that a business activity may not be conducted in conformity with all applicable regulatory requirements wherever the Issuer does business.

Conduct risk arises from actions or behaviours of the Issuer's officers, directors, employees, or the Issuer's business that do not align with the Issuer's ScotiaBond values and behaviours or the Issuer's Code of Conduct. This risk can adversely impact the Issuer, clients, employees, or integrity of financial markets. Conduct risk is influenced by organizational culture and is manifested in employee conduct.

Privacy risk arises when there are contraventions of applicable privacy laws, regulations, standards, and regulatory expectations; when ethical or operational standards set out in the Issuer's Code of Conduct or other policies, procedures, manuals, or guidelines are not followed; and when employees fail to treat client, employee, and third-party Personally Identifiable Information ("PII") in accordance with established security safeguards.

ABAC risk arises when there are contraventions of applicable ABAC laws, regulations, standards, and regulatory expectations, as well as ethical or operational standards set out in the Issuer's Code of Conduct or other frameworks, policies, standards, operating procedures, or guidelines related to bribery and corruption.

The Audit and Conduct Review Committee of the Board (the "**ACRC**") approves the Compliance Risk Summary Framework, which provides an overview of the key governance components, responsibilities, and programs that enable the Issuer to effectively manage Compliance Risk as a core component of its enterprise-wide Compliance program. The Issuer is required to comply with E-13 guidelines as set out by OSFI with respect to the management of regulatory compliance risk. Regulatory compliance management at the Issuer is governed by the Compliance Management Framework ("**CMF**"). The CMF's primary objective is to provide assurance that the Issuer's business activities are conducted in compliance with all applicable regulations and within the Issuer's risk appetite.

As an organization with operations in numerous jurisdictions world-wide, the Issuer is subject to (and must comply with) various regulatory requirements established by governments, regulators and self-regulating bodies. In a world of increasingly complex and evolving regulatory requirements and escalating enforcement activity, the Issuer must keep pace with regulatory expectations as well as accepted industry best practices and ethical standards across its global footprint. See "*Business Line Overview*" on pages 42 to 59 of the Issuer's 2025 Annual Report incorporated by reference in the Prospectus for a detailed description of the Issuer's business segments and the jurisdictions in which it operates. Although the Issuer continually monitors and evaluates the potential impact of regulatory developments to assess the impact on its businesses and to implement any necessary changes, regulators and private parties may challenge the Issuer's compliance. Failure to comply with legal and regulatory requirements may result in fines, penalties, litigation, regulatory sanctions, enforcement actions and limitations or prohibitions from engaging in business activities, all of which may negatively impact the Issuer's financial performance, the execution of its business strategy and its reputation. See Note 22 (Provisions) of the Issuer's 2025 Annual Report and Note 26 (Corporate Income Taxes) of the Issuer's 2025 Annual Report for more information on ongoing litigation and investigations. The scope of compliance requirements and the associated cost for the Issuer are increasing as well with evolving regulatory expectations such as cyber security, data risk, consumer protection and privacy, model risk, third-party risk and operational resilience. This focus could lead to more regulatory or other enforcement actions.

The Issuer continues to monitor changes in regulatory guidance and continue to assess the impact of new regulations across its operating footprint and the credit life cycle. For additional information on some of the key regulatory developments that have the potential to impact the Issuer's operations, see "*Regulatory Developments*" on pages 120 to 121 of the Issuer's 2025 Annual Report which is incorporated in the Prospectus by reference, as may be updated by quarterly reports.

1.1.8. Environmental, Social and Governance Risk.

Environmental, social and governance 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 Issuer.

The Issuer considers environmental risk to be any potential adverse impacts to the Issuer 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 Issuer 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; inclusion; 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 Issuer is governed. It encompasses the Issuer'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 Issuer stemming from poor or ineffective corporate governance mechanisms and controls.

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. The changing corporate and political environment in the US and Canada could result in reduced support for climate-related regulation and funding for climate initiatives, creating uncertainty that could limit clients' ability or willingness to reduce emissions. 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 to the Issuer.

1.1.9. Data Management Risk.

Data Management Risk is the risk of exposure to the financial and non-financial consequences caused by people, inadequate processes and systems related to data governance, data quality, data architecture and/or data ethics.

Data is produced and consumed by different business lines and geographies of the Issuer. Failure by the Issuer to manage such data in an effective, collaborative and holistic way could adversely affect, the Issuer's reputation, regulatory compliance and financial performance and condition.

1.1.10. Model Risk.

Model risk is the risk of adverse financial (e.g., inadequate capital, financial losses, inadequate liquidity, underfunding of defined benefit pension plans) operational, and/or reputational consequences arising from the design, development, implementation and/or use of a model. It can originate from, among other things, inappropriate specification; 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.

Model risk is managed through a structured framework that outlines minimum compliance requirements aligned with OSFI's revised E-23 Model Risk Management Guideline. This framework spans the entire model lifecycle, from identification and assessment to monitoring and remediation.

All models that meet the Issuer's definition, including those developed internally or sourced from vendors, are governed by the Model Risk Management Framework ("**MRMF**"). The MRMF is supported by a suite of policies, standards, and guidelines that ensure consistent and effective model risk management across the organization, including well-defined roles and responsibilities for key stakeholders across the lifecycle.

The Issuer's model risk appetite is based on aggregated indicators such as persistent performance breaches, policy exceptions, and material issues. This score reflects the Bank's tolerance for model-related risk and is reported quarterly in the Enterprise Risk Management Report.

Prior to the implementation of new risk models, validation and testing is 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 risk continues to receive increasing regulatory focus given growing adoption of analytics-driven insights across financial institutions. Regulatory guidelines for model risk set out expectations for the establishment of an enterprise-wide risk management framework, including policies and procedures to identify, assess and manage the risks inherent in any model. The Issuer proactively monitors and manages the risks associated with the development and use of models. It has an enterprise-wide model risk management policy in place, supported by appropriate processes and procedures, that support the identification and management of material risks associated with models. The Issuer also continues to enhance model risk governance practices, processes and controls to effectively monitor and mitigate risks. However, failure to properly manage such risk could adversely impact the Issuer's financial performance, position and reputation.

1.1.11. Reputational Risk.

Reputational risk is the risk that negative publicity or stakeholder sentiment regarding the Issuer's conduct, business practices or associations, whether true or not, will adversely affect its revenues, operations or client base, or require other defensive measures.

The Issuer has an enterprise reputational risk policy, as well as other policies and procedures for managing reputational risk. Reputational risk is managed and controlled by the Issuer's code of conduct (the "**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 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.

Negative publicity about an institution's business practices may involve any aspect of its operations, but usually relates to questions of business ethics and integrity, or quality of products and services. Such negative publicity has an impact on the Issuer's brand and reputation. Negative publicity and related reputational risk frequently arise as a by-product of some other kind of risk management control failure such as compliance and operational risks. In some cases, reputational risk can arise through no direct fault of an institution, but indirectly as a ripple-effect of an association or problems arising within the industry or external environment.

Damage to the Issuer's reputation can result in reduced share price and market capitalization, increased cost of capital, loss of strategic flexibility, inability to enter or expand into markets, loss of client loyalty and business, or regulatory fines and penalties. The sources of reputation risk are widespread; risk to the Issuer's reputation can occur in connection with credit, regulatory, legal and operational risks. The Issuer can also experience reputation risk from a failure to maintain an effective control environment, exhibit good conduct, or have strong risk culture practices, all of which may have a negative impact on the Issuer's reputation, financial performance and condition.

1.1.12. Strategic Risk.

Strategic Risk is the risk that the enterprise, business lines or corporate functions will make strategic choices that are ineffective or insufficiently resilient to changes in the business environment or fail to achieve the Issuer's strategic vision in the execution of the Issuer's strategy.

The Board of Directors 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 Issuer. Changes in the Issuer's business strategy can impact the Issuer's risk appetite and therefore the annual strategy report to the Board of Directors considers linkages between the Issuer's enterprise risk appetite framework and the enterprise strategy, business lines in the execution of their strategic planning. The Board of Directors 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 the Issuer's 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 the Issuer's risk appetite metrics. The development, evaluation and execution of the Issuer's strategic plans is owned by the management team of the Issuer. 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 Issuer's strategic plan, and consider what amendments, if any, are required. For more information on the Issuer's strategic goals in each of its business segments, see "*Business Line Overview*" on pages 42 to 59 of the Issuer's 2025 Annual Report incorporated by reference in the Prospectus, as may be updated by quarterly reports, and for information on recent acquisitions and divestitures, see Note 35 (Acquisitions and Divestitures) of the Issuer's 2025 Annual Report.

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 Issuer 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.

The Issuer's ability to execute on its objectives and strategic goals will influence its financial performance. Despite the processes in place to manage strategic risk and the execution of strategic objectives, if the Issuer is unable to successfully implement selected strategies or related plans and decisions, if the Issuer makes inappropriate strategic choices or if the Issuer makes a change to its strategic goals, its financial performance, condition and prospects could be adversely affected.

1.2. Emerging and other risks that could impact future results.

The Issuer is exposed to a variety of emerging and other risks set out below that can adversely affect the Issuer's business strategies, financial performance, and reputation, if the relevant mitigation measures disclosed are not effective.

1.2.1. Tariffs and Trade Policy Uncertainty.

Heightened economic uncertainty driven by the impact of tariffs and changing government policy may contribute to a slowdown in economic and trade activity. This is occurring in an already uncertain macroeconomic environment for the Issuer's clients, who may also be dealing with higher borrowing costs and could further dampen consumer demand

and investor confidence. In addition, existing sectoral tariffs on Mexico and Canada, and tariffs on Mexico and Canada for goods non-compliant with The Canada-United States-Mexico Agreement, could impact key exports creating headwinds for the Issuer in its priority markets. Proactive provisioning, stress testing, and regular monitoring of the environment supports the Issuer's preparedness for a significant downturn, while fostering a deeper understanding of how evolving conditions affect the Issuer's risk profiles and business performance.

Ongoing monitoring of liquidity, deposit levels, and credit quality keeps the Issuer adept in responding to this changing environment and protects against potential impacts of macroeconomic uncertainty. Portfolios are monitored for delinquency trends, and collections measures are being deployed to mitigate potential impacts to the Issuer's most vulnerable borrowers.

1.2.2. Client Repayment Vulnerability and Recession Risks.

After a period of elevated interest rates, most central banks have lowered their policy rates, which should support economies that are actively dealing with tariffs and economic uncertainty. As well, the lag effects of higher interest rates may continue to increase portfolio impacts, including provisions and delinquencies as clients continue to face higher refinancing costs, weakening consumer demand and higher unemployment. This environment also increases the risk of recession or a market downturn, which can put further pressure on consumer and business confidence, loan demand and real estate markets, and may result in lower earnings and higher credit losses for the Issuer.

The Issuer has measures in place to monitor and mitigate impacts on its portfolios (i.e., stress testing, downturn readiness playbooks), while continuing its proactive client outreach. The effectiveness of collection efforts remains critical to sustaining momentum in impaired loan management and driving overall portfolio health. In addition, the Issuer'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.

1.2.3. Changing Government Policy

Recent developments suggest a possible trend toward increased government engagement in economic and regulatory matters that may include more active fiscal measures aimed at achieving specific outcomes. Though the direction of such policies remains uncertain, governments are working towards increasing economic growth, national strength and resilience, including more restrictive trade policies, promotion of industrial policy and supporting national corporate champions. In Canada, recent legislative efforts, such as the One Canadian Economy Act, may help advance major projects and stimulate economic activity, potentially supporting loan demand and employment.

This new policy environment will create uncertainty as previous rules and operating principles for businesses are upended that could result in inflation, higher longer term borrowing costs and sovereign risk concerns. It could also lead to headwinds for the Issuer in its priority markets, particularly the North American corridor, as political relationships change and policy uncertainty accelerates, requiring strategic adjustments. The Issuer continues to monitor the changing political and economic landscape.

Government affairs, compliance, global anti money laundering and economics teams continue to monitor the changing political and economic landscape across the Issuer's operating footprint, communicating broadly to clients and employees, and supporting stress testing and scenario analysis. These teams regularly update the Issuer's leadership to support a continuous understanding of the evolving environment and its impact on the Issuer's risk profile, strategy and business performance.

1.2.4. Geopolitical Tensions.

The potential for political miscalculations and conflict escalations remains a key concern. Geopolitical uncertainty and a fracturing global economy continues as many geopolitical conflicts remain unresolved, including U.S.-China tensions, the continuing war in Ukraine, and the ongoing conflict in the Middle East. Geopolitical tensions are accelerating in complexity and speed with risk increasingly manifesting in interconnected ways that could disrupt global trade, supply chains or operations and cause market volatility. Financial institutions have limited influence over broad geopolitical dynamics and resulting impacts could require strategic adjustments to manage changes to client and investor confidence and to address a higher risk of financial instability. The scope and intensity of geopolitical risk events are difficult to predict.

For discussion on the Issuer's economic outlook in Canada and countries in which the Issuer operates in, see "*Strategy, Economic Summary and Outlook*" on pages 29 to 30 of the Issuer's 2025 Annual Report incorporated by reference in this Prospectus, as may be updated by future quarterly reports.

1.2.5. Increasing Regulatory Scrutiny and Changing Regulatory Landscape.

As a global financial institution, the Issuer operates under various legal and regulatory frameworks that affect its businesses. The growing volume, complexity, and pace of regulatory obligations, combined with continued scrutiny and increasing fines and penalties across the Issuer'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 Issuer 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 Issuer to fines, penalties, litigation, regulatory sanctions, enforcement actions and restrictions or prohibitions on its business activities. These consequences may adversely affect the Issuer's financial performance, its business strategy execution and its reputation.

The Issuer continues to monitor changes in regulatory guidance from regulators and to assess the impact of new regulations across its operating footprint. It continues to coordinate regulatory examinations as part of its compliance program and work with peers to promote consistent guidance and requirements across jurisdictions.

1.2.6. External Fraud, Scams and Insider Risks.

The Issuer and the 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. The Issuer anticipates that it will continue to experience fraud losses driven by external threats and scams, including first party fraud. First party fraud involves deceptive actions by clients who knowingly engage in false or deceptive activities relating to financial transactions on an account issued in their name, for personal gain. The financial industry continues to observe an increased number of insider risk cases, leading to new or emerging threats. These cases can lead to data being compromised, intellectual property theft, business disruptions, as well as regulatory, operational and compliance risks. It can also lead to fraud, which historically has been driven by external factors, including service providers to the Issuer and its customers.

Despite the Issuer's investments in fraud prevention and detection programs, capabilities, measures and defences, it may not prevent against all fraudulent activity which could result in financial loss, reputational damage or operational disruptions in the Issuer's businesses.

1.2.7. Data Quality and Availability.

The increasing role of data processes, models and operations, its potential for bias, and the 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 may impair the Bank's ability to meet regulatory disclosure requirements and increase compliance and operational costs. As data volumes grow exponentially, driven in part by Gen AI, the risk of inaccurate, incomplete, or untimely data is increasing. This can hinder effective reporting, governance, and risk profiling, and may compromise compliance with regulatory requirements, including the accuracy of disclosures. Challenges in data availability and quality amplify these risks, potentially impacting decision making and leading to higher costs.

The Issuer has policies which outline guiding principles on how to manage the risks of using data in alignment to the latest regulations on data and Artificial intelligence ("**AI**"), while incorporating data ethics into its Code of Conduct and training. The Issuer continues to invest in better modeling tools and stress testing capabilities.

AI introduces risks such as operational disruptions, security vulnerabilities, including a higher risk of fraud, regulatory challenges, and ethical concerns. Maintaining competitiveness through AI adoption including Gen AI, agentic AI and LLM is vital for the Issuer as it aims to leverage the technology for improved decision-making, enhanced client experience and process optimisation. However, keeping pace with the latest advancements poses new risks, including additional model governance requirements, potential copyright and intellectual property infringement, spread of misinformation and inaccuracy of outputs, which could ultimately erode consumer trust and confidence. Rapid adoption and ease of use of Gen AI and agentic AI technologies also leads to increased competitive pressures from non-regulated FinTech companies that have lower cost structures and regulator oversight.

The Issuer is addressing the risks of further AI adoption, including malicious use, data vulnerabilities, and regulatory scrutiny, by operationalizing its AI Risk management program through cross functional collaboration and embedding robust procedures across business units, while increasing employee awareness by expanding training, ultimately building trust and oversight across the organization. To address the increasing regulatory scrutiny on the use of AI, and potentially inconsistent AI rules across jurisdictions, the Issuer must stay abreast of emerging regulations and continue to establish robust governance with adaptable risk management frameworks as it continues to expand its use of emerging AI technologies across different geographies.

1.2.8. Technology Modernization.

Outdated software and complex technology infrastructure can lead to ineffective change management, increased regulatory and strategic risk, and require investments to adapt to new technologies and react to competitive risks. Risks and impacts emanating digital innovations such as cloud computing, Gen AI, machine learning and process automation, requires continued investments 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. New unregulated participants can disrupt a bank's operating model with the use of advanced technologies, agile delivery methodologies and analytical tools offering bank-like products with lower fixed costs. The increasing role of data, models, and artificial intelligence in decision making processes and operations, evolving regulatory expectations, increasing sensitivities and concerns on their appropriate use, and the potential for bias in the decision-making process, can result in reputational risk as failures to properly mitigate or incorporate technological changes could degrade consumer trust and confidence. Poorly managed change and choice of vendor/third party can result in operational disruption and customer complaints which can result in reputational damage, regulatory censure and financial losses.

Technology is a focus for the Issuer and is a key enabler for the Issuer's clients to do business easily, for automating processes, and for driving innovation, including better risk analytics. Managing legacy IT platforms to stay competitive with digital-first players that offer faster, cheaper, and more accessible services requires the Issuer to continue investing in digital infrastructure, enhancements to cybersecurity, while adapting to new technologies. The Issuer is strategically increasing its technology investments to address legacy platforms, which should reduce system vulnerabilities and increase flexibility to adopt new technologies cost-effectively. The Issuer remains focused on ensuring sufficient resourcing for software updates and accelerate the remediation of expired software, while cloud investments should support software modernization and application rationalization.

1.2.9. Change Management.

Change management and execution risks could remain elevated as the pace of regulatory projects and scale of transformational efforts across the Issuer accelerates. It remains essential that change execution is managed effectively by modernizing critical technology and mitigating key person risk. Successful project delivery in support of the Issuer's strategy could be at risk if overdue regulatory actions, resource constraints and maintenance of critical operations is not addressed.

1.2.10. Contagion Risks.

The external risk landscape remains defined by an extraordinary pace of change and global interconnectivity. Risk drivers have the potential to interact with and intensify key financial and non-financial risks in complex and unforeseen ways. These increasingly unpredictable risk drivers can lead to contagion risks and demand a more agile and responsive approach to mitigation. The Issuer actively monitors the risk environment across its operating footprint and coordinates responses to events across stakeholders and functional groups.

This high degree of interconnectedness is intensifying as interdependencies among top risk drivers deepen, where a cyber breach can cascade into operational outages, liquidity stress, and reputational damage, while credit deterioration in stressed sectors can trigger funding challenges and regulatory pressures, creating systemic vulnerabilities that amplify overall impact across the Issuer.

1.2.11. Critical Accounting policies and estimates

The policies and methods chosen may require management to make estimates or rely on assumptions that impact the reported results. Subsequent to reporting, such estimates and assumptions may require revision, which may materially adversely affect the Issuer's results of operations and financial condition.

From 1 November 2011, the Issuer's financial condition and results of operations for interim and annual reports have been reported using accounting policies and methods prescribed by IFRS as issued by the International Accounting Standards Board.

As detailed in the section entitled "Controls and Accounting Policies – Critical Accounting Policies and Estimates" on pages 116 to 120 of the Issuer's 2025 Annual Report, incorporated by reference in the Prospectus, certain accounting policies have been identified as being "critical" to the presentation of the Issuer's financial condition and results of operations as they (i) require management to make particularly subjective and/or complex judgments and estimates about matters that are inherently uncertain and (ii) carry the likelihood that materially different amounts could be reported under different conditions or using different assumptions and estimates. The reporting of such materially different amounts could materially and adversely affect the Issuer's results of operations or reported financial condition. These critical accounting policies and estimates relate to the determination of the Issuer's allowance for credit losses, the determination of the fair value of financial instruments and impairment of investment securities, the cost of employee benefits, the provision for corporate income taxes, whether or not structured entities should be consolidated, assessment of impairment of goodwill, indefinite life intangible assets and provisions and other off-balance sheet credit risks."

4. Caution Regarding Forward-Looking Statements

The section entitled "**CAUTION REGARDING FORWARD-LOOKING STATEMENTS**" on pages 10 to 11 of the Prospectus is deleted and replaced with the following:

"From time to time, the Bank or the Guarantor's public communications include oral or written forward-looking statements. Statements of this type are included in this Prospectus and in the documents incorporated by reference in this Prospectus, 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 by the Bank (but not the Guarantor, with respect to U.S. law) 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 in this Prospectus and the documents incorporated by reference may include, but are not limited to, statements made in the Management's Discussion and Analysis in the Bank's 2025 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 the Bank to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that the Bank's predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that the Bank's assumptions may not be correct and that the Bank's financial performance objectives, vision and strategic goals will not be achieved.

The Bank cautions readers not to place undue reliance on these statements as a number of risk factors, many of which are beyond the Bank's control and effects of which can be difficult to predict, could cause the Bank's 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 the Bank operates 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 (including policies and other changes related to, or affecting, economic or trade matters, including tariffs, countermeasures, tariff mitigation policies and tax-related risks); changes to the Bank's credit ratings; the possible effects on the Bank's business and the global economy of war, conflicts or terrorist actions and unforeseen consequences arising from such actions; technological changes, including open banking and the use of data and artificial intelligence in the Bank's 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; the Bank's ability to execute its 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, unauthorised access to sensitive information, denial of service and potential incidents of identity theft; increased competition in the geographic and business areas in which the Bank operates, 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-related risk, the Bank's ability to implement various sustainability-related initiatives (both internally and with the Bank's clients and other stakeholders) under expected time frames, and the Bank's ability to scale its 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 local, national or global economies, 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 2025 Annual Report which document is incorporated by reference herein, as may be updated by quarterly reports.

Material economic assumptions underlying the forward-looking statements contained in this Prospectus and in the documents incorporated by reference herein are set out in the 2025 Annual Report under the headings "Outlook", as may be updated by quarterly reports to the extent incorporated by reference herein. The "Outlook" and "2026 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, the Guarantor, any Dealer or any other person 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."

5. Amendment to statement regarding governmental, legal or arbitration proceedings

The section entitled "**Legal and Arbitration Proceedings**" under the section entitled "**THE BANK OF NOVA SCOTIA**" on page 101 of the Prospectus is hereby deleted in its entirety and replaced with the following:

"**Legal and Arbitration Proceedings**

Save as disclosed on pages 20 to 21 (Legal Proceedings and Regulatory Actions) in the Bank's Annual Information Form dated 2 December 2025 and note 26 (Corporate Income Taxes) on pages 211 to 213 of the Bank's consolidated financial statements for the year ended 31 October 2025 contained in the 2025 Annual Report, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Bank is aware), during the 12 month period preceding the date of this Prospectus, which may have, or have had in the recent past, significant effects on the Bank and the Bank's subsidiaries' (taken as a whole) financial position or profitability."

6. Any significant change in the financial performance or financial position of the Bank and its respective subsidiaries or material adverse change in the prospects of the Bank and its subsidiaries

There has been no significant change in the financial performance or financial position of the Bank and its Subsidiaries, including the Guarantor, and no material adverse change in the prospects of the Bank and its Subsidiaries, including the Guarantor, taken as a whole, in each case since 31 October 2025, being the date of the latest audited published consolidated financial statements of the Bank.

7. General Information

To the extent that there is any inconsistency between (a) any statement in this First Supplement or any statement incorporated by reference into the Prospectus by way of this First Supplement and (b) any other statement in, or incorporated by reference in, the Prospectus, the statements in (a) above will prevail.

Save as disclosed in this First Supplement, the 2025 AIF or the sections of the 2025 Annual Report as incorporated by reference in the Prospectus by virtue of this First Supplement, no significant new factor, material mistake or material inaccuracy relating to the information included in the Prospectus which is capable of affecting the assessment of Covered Bonds issued under the Program has arisen or been noted, as the case may be, since the approval by the FCA of the Prospectus.

Copies of this First Supplement, the Prospectus and the documents or information incorporated by reference in this First Supplement and the Prospectus can be (i) obtained on written request and without charge from the principal executive offices of the Bank from the Executive Vice-President and General Counsel, The Bank of Nova Scotia, 40 Temperance Street, Toronto, Ontario M5H 0B4, Canada, Telephone: +1 (416) 866-3672 and inspected free of charge at all reasonable times during normal business hours from the specified office of each Paying Agent set out at the end of the Prospectus or may be provided by e-mail to a Covered Bondholder following their prior written request to the Issuer or Paying Agents, as applicable, and provision of proof of holding and identity (in a form satisfactory to the Issuer or Paying Agent, as the case may be); and (ii) viewed free of charge on the website of the Bank and on the website of the Regulatory News Service operated by the London Stock Exchange plc at https://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html under the name of the Bank.