

**THE BANK OF NOVA SCOTIA  
U.S. RESOLUTION PLAN  
PUBLIC SECTION**

**July 1, 2022**



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## I. INTRODUCTION

The Bank of Nova Scotia (“BNS” or the “Bank”)<sup>1</sup> is a leading multi-national financial services provider and Canada’s most international bank. Since welcoming its first customers in Halifax, Nova Scotia, in 1832, BNS has continued to expand its global reach. Today, through a team of nearly 90,000 worldwide employees, BNS offers a broad range of products and services, including personal, commercial, corporate and investment banking and wealth management.

In light of the provisions set forth in 12 CFR § 252.5(e)(1)(B), BNS is a Category IV foreign banking organization with average combined U.S. assets of over \$100 billion that is required to submit a “Reduced Resolution Plan” in 2022. BNS is not a global systemically important BHC as defined therein and is not a Category II or Category III banking organization that would require a “Full Resolution Plan” on a Triennial schedule. As a Category IV filer, BNS is only required to provide in the confidential portion of its Reduced Resolution Plan information concerning:

- i. Material changes experienced since the submission of the 2018 Reduced U.S. Resolution Plan; and
- ii. Description of changes to strategic analysis resulting from:
  - a. change in law or regulation;
  - b. guidance or feedback from the Agencies; and
  - c. any material change since the 2018 U.S. Resolution Plan.

In the public section of its Reduced Resolution Plan, BNS is required to provide an executive summary of the Reduced Resolution Plan that describes its business and includes, to the extent material to an understanding of its business:

- i. The names of BNS’s material entities
- ii. A description of BNS’s core business lines
- iii. The identities of BNS’s principal officers; and
- iv. A high-level description of BNS’s resolution strategy, referencing the applicable resolution regimes for its material entities.

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<sup>1</sup> “BNS” or the “Bank” means the global, enterprise-wide operations of The Bank of Nova Scotia.

## II. NAMES OF MATERIAL ENTITIES

The Resolution Plan Rule defines a material entity as a subsidiary or foreign office of a covered company that is significant to the activities of a critical operation or core business line of the company. The following legal entities have been identified as material entities for the purposes of the U.S. Resolution Plan:

- (i) New York Agency (“NYA”): NYA is a New York-licensed agency of BNS. NYA generally is limited to receiving deposits from non-U.S. persons. NYA is overseen by the Federal Reserve Bank of New York and the New York State Department of Financial Services.
- (ii) Houston Branch: Houston Branch is a Texas-licensed branch of BNS. Houston Branch is authorized to, and does, take wholesale deposits generally from corporate clients. Houston Branch is overseen by the Federal Reserve Bank of Dallas, and the Texas Department of Banking.
- (iii) Scotia Capital (USA), Inc. (“SCUSA”): SCUSA is a registered broker-dealer with the U.S. Securities and Exchange Commission (“SEC”) under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority (“FINRA”), SIPC, the Options Clearing Corp (“OCC”), the New York Stock Exchange (“NYSE”) as well as other exchanges. SCUSA is also a registered futures commission merchant with the Commodity Futures Trading Commission (“CFTC”) and a member of the National Futures Association (“NFA”). SCUSA’s primary business activities include debt and equity securities underwriting, fixed income sales and trading, equity sales and trading, securities borrowing and lending, repurchase agreement activities, investment banking, and equity research.

The material entities are unchanged from the Bank’s prior U.S. Resolution Plan.

## III. DESCRIPTION OF CORE BUSINESS LINES

The Resolution Plan Rule defines core business lines as those business lines of the covered company, including associated operations, services, functions and support, that, in the view of the company, upon failure would result in a material loss of revenue, profit, or franchise value. The following business lines have been identified as core business lines for the purposes of the U.S. Resolution Plan:

- (i) Corporate Lending: Corporate Lending, the largest of the core business lines by revenues, primarily lends to investment grade borrowers through bilateral and syndicated facilities and meets customers’ capital requirements at a competitive price with a flexible structure.
- (ii) Debt Capital Markets (“DCM”): DCM primarily markets to existing corporate clients of BNS for underwriting mandates on corporate bond transactions. DCM is involved in issuance from both investment grade and high yield rated issuers

in U.S. dollars, regardless of the issuer’s domicile. Occasionally, DCM also acts as an underwriter/agent on covered bonds and engages in Regulation D private placements under the Securities Act of 1933 as well as underwriting of asset-backed securities (“ABS”).

- (iii) Global Business Payments (“GBP”): GBP’s primary focus in the United States is on the GBM customer base (noting that GBP selectively supports Canadian Banking and/or International Banking business customers with U.S. solutions where warranted), and the following products and services:
  - Cash management and payment services: GBP’s primary focus is on the provision of cash management and payment services to affiliates of U.S. multi-nationals that operate in geographic markets where BNS has a competitive advantage and can add value (e.g., Canada, Latin America, and the Caribbean). GBP also provides commercial credit card services to the U.S. Corporate customer base, including VISA Payables Automation (“VPA”). Lastly, GBP supports the clear-through account product offered to Canadian based clients through accounts domiciled at NYA.
  - Deposit and investment solutions
  - Trade finance solutions such as standby letters of credit and guarantees.
- (iv) U.S. Rates: Since initiating participation in U.S. Treasury auctions in March 2010, U.S. Rates primarily has focused most of its trading efforts on U.S. government debt (Treasuries, Treasury bills, coupons, etc.). As a primary dealer, U.S. Rates is responsible for underwriting U.S. Treasury debt through the Federal Reserve Bank of New York. The Collateral Management Funding group which is a part of U.S. Rates also engages in U.S. Treasury repurchase agreements.
- (v) Prime Services: Prime Services unit provides services to institutional investors, which include hedge funds and registered mutual funds. The team provides clients with access to enhanced prime services products, including: (i) securities borrowing and lending; (ii) margin lending; and (iii) custodial services. Prime Services also conducts business under the Regulation T and Portfolio Margin platform.

The core business lines are unchanged from the Bank’s prior U.S. Resolution Plan.

#### IV. IDENTITIES OF PRINCIPAL OFFICERS FOR BNS

Name	Title
Brian J. Porter	President and Chief Executive Officer
Ian Arellano	Executive Vice President and General Counsel

Jake Lawrence	CEO and Group Head, Global Banking and Markets
Phil Thomas	Chief Risk Officer
Rajagopal (Raj) Viswanathan	Group Head and Chief Financial Officer
Michael Zerbs	Group Head, Technology & Operations
Barbara Mason	Group Head & Chief Human Resources Officer
Paul Baroni	Executive Vice President & Chief Auditor
Nicole Frew	Executive Vice President & Chief Compliance Officer

**V. HIGH LEVEL DESCRIPTION OF U.S. RESOLUTION PLAN**

As required by the Resolution Plan Rule, the U.S. Resolution Plan identifies core business lines and material entities and takes into consideration the severely adverse economic scenario identified by the Federal Reserve Board in its stress testing guidance scenarios for 2022. The U.S. Resolution Plan describes how each of the material entities could be wound down in a rapid and orderly fashion without adversely affecting the financial stability of the United States. The resolution strategy involves the simultaneous wind down of each business. Although the U.S. Resolution Plan concludes that each of the core business lines could be resolved without resorting to applicable insolvency regimes, the U.S. Resolution Plan provides for the resolution of the core business lines and material entities under applicable insolvency regimes (the Securities Investor Protection Act for SCUSA and the banking laws of the State of New York for NYA and the State of Texas for Houston Branch) after the expiry of a thirty-day runway period. During the thirty-day runway period, BNS would, among other things, take a series of preparatory actions to facilitate the orderly resolution of the core business lines and material entities within the applicable insolvency regimes.