



THE BANK OF NOVA SCOTIA
(a Canadian chartered Bank)
and
SCOTIABANK EUROPE PLC
(incorporated with limited liability in England and Wales with registered no. 817692)

U.S.\$20,000,000,000
Euro Medium Term Note Programme
Due from 1 month to 99 years from the date of original issue

On December 7, 1994, The Bank of Nova Scotia established a Euro Medium Term Note Programme (the “Programme”) and issued an offering circular on that date describing the Programme. This Prospectus describing the Programme supersedes all offering circulars and prospectuses describing the Programme dated prior to the date hereof. Any Notes (as defined below) to be issued on or after the date hereof under the Programme, which has been further amended as at the date hereof as described herein, are issued subject to the terms and conditions set out herein. This does not affect any Notes issued prior to the date hereof.

The Bank of Nova Scotia (the “Bank”) and Scotiabank Europe plc (“Scotiabank Europe”), as issuers (collectively the “Issuers” and each an “Issuer”) subject to compliance with all relevant laws, regulations and directives, may from time to time issue Notes (the “Notes”) under the Programme. Each Note to be issued by Scotiabank Europe will be unsubordinated debt obligations issued with the benefit of an unconditional and irrevocable guarantee (collectively the “Guarantees” and each a “Guarantee”) of the Bank (in such capacity, the “Guarantor”), under which the Guarantor will unconditionally and irrevocably guarantee the payment of all amounts due and payable on or in respect of such Notes (the “Guaranteed Notes”). Notes to be issued by the Bank under the Programme may comprise (i) unsubordinated Notes which constitute deposit liabilities of the Bank (the “Deposit Notes”) or (ii) subordinated Notes as described herein (the “Subordinated Notes”). Scotiabank Europe may issue Guaranteed Notes. The obligations of the Guarantor under the Guarantees will rank *pari passu* with all deposit liabilities of the Guarantor (except as otherwise prescribed by law) and without any preference amongst themselves. The aggregate principal amount of Notes outstanding will not exceed U.S.\$20,000,000,000 or the equivalent in other currencies determined by the Calculation Agent (as defined below) if any, at the time of each issuance of Notes in other currencies. Within such aggregate principal amount of Notes, Scotiabank Europe may issue up to U.S.\$1,000,000,000 (or its equivalent in other currencies at the date of issue) aggregate principal amount of Guaranteed Notes or such other amount as may be authorised from time to time.

See the section entitled “Risk Factors” herein for a discussion of certain risks that should be considered in connection with an investment in the Notes.

Arrangers for the Programme

Barclays

Scotiabank

Dealers

Barclays

BNP PARIBAS

BofA Merrill Lynch

Citigroup

Deutsche Bank

Goldman Sachs International

HSBC

J.P. Morgan

Morgan Stanley

Scotiabank

The Royal Bank of Scotland

UBS Investment Bank

Wells Fargo Securities

This Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the “Prospectus Directive”) and for the purpose of giving information with regard to the Issuers and (in the case of Guaranteed Notes) the Guarantor which, according to the particular nature of the relevant Issuer, the Guarantor and the Notes, is necessary to enable Investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the relevant Issuer and the Guarantor, as the case may be.

Application has been made to the United Kingdom Financial Conduct Authority (the “FCA” or the “UK Listing Authority”) for Notes issued under the Programme during the period of 12 months from the date of this Prospectus to be admitted to the official list maintained by the UK Listing Authority (the “Official List”) and to the London Stock Exchange plc (the “London Stock Exchange”) for such Notes to be admitted to trading on the London Stock Exchange’s Regulated Market (the “Market”). References in this Prospectus to Notes being “listed” (and all related references) shall mean that such Notes have been admitted to trading on the Market and have been admitted to the Official List. The Market is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC (“MiFID”).

Each issue of Notes will be issued on the terms set out herein which are relevant to such Notes under “Terms and Conditions of the Notes” on pages 35 to 57.

Notice of the aggregate principal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined in “Issue of Notes” below) of Notes, together with certain other information required by the Prospectus Directive will be set forth in the applicable Final Terms which, with respect to the Notes to be admitted to the Official List and admitted to trading on the Market, will be delivered to the UK Listing Authority and the London Stock Exchange on or before the date of issue of such Notes.

The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under Regulation (EU) No 1060/2009 (as amended) (the “CRA Regulation”) (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU credit rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

Please also refer to “*Credit ratings might not reflect all risks*” in the “Risk Factors” section of this Prospectus.

Each of Moody’s Investors Service, Inc. (“Moody’s”), Standard & Poor’s Financial Services LLC (“S&P”), Fitch, Inc. (“Fitch”) and DBRS Limited (“DBRS”) has provided issuer ratings for the Bank as specified on page 15 of the Bank’s Annual Information Form (as defined in the section entitled “Documents Incorporated by Reference”) incorporated by reference in this Prospectus and as set out in the “The Bank of Nova Scotia” section of this Prospectus.

None of S&P, Moody’s, Fitch or DBRS (the “non-EU CRAs”) is established in the European Union or has applied for registration under the CRA Regulation. The ratings have been endorsed by each of Standard and Poor’s Credit Market Services Europe Ltd., Moody’s Investors Service Ltd., DBRS Ratings Limited and Fitch Ratings Limited (the “EU CRAs”), as applicable, which are affiliates of S&P, Moody’s, Fitch and DBRS, respectively, in accordance with the CRA Regulation. Each EU CRA is established in the European Union and registered under the CRA Regulation. As such each EU CRA is included in the list of credit rating agencies published by the European Securities and Markets Authority (the “ESMA”) on its website in accordance with the CRA Regulation. The ESMA has indicated that ratings issued in Canada which have been endorsed by an EU CRA may be used in the EU by the relevant market participants.

Copies of the Final Terms for Notes that are to be listed on the London Stock Exchange will be published on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name of the relevant Issuer and the headline “Publication of Prospectus”, and will be available without charge from the principal office of the relevant Issuer and the specified offices of the Paying Agent, Registrar and Transfer Agent, as set out at the end of this Prospectus.

This Prospectus is to be read in conjunction with any supplementary prospectus (a “Supplementary Prospectus”) to this prospectus as approved by the UK Listing Authority from time to time and with all documents deemed to be incorporated herein or therein by reference (see “Documents Incorporated by Reference”) and, in relation to any Tranche or Series of Notes, should be read and constituted together with any applicable Final Terms. Any reference herein to “Prospectus” means this document together with the documents incorporated by reference herein and any such Supplementary Prospectus and the documents incorporated by reference therein.

Each of the Issuers and (in relation to Guaranteed Notes) the Guarantor, accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of each of the Issuers and the Guarantor (having taken all

reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person is or has been authorised to give any information or to make any representation not contained in, or not consistent with, this Prospectus, any supplement hereto, any information incorporated by reference herein or therein or any other information supplied in connection with the Programme or the Notes and, in respect of each Tranche of Notes, the applicable Final Terms, in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Bank, Scotiabank Europe or any of the Dealers (as defined in “Plan of Distribution”). Neither the delivery of this Prospectus or any Final Terms nor the offering, sale or delivery of any Notes made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Bank or Scotiabank Europe since the date hereof or the date upon which this document has been most recently supplemented or that there has been no adverse change in the financial position of the Bank or Scotiabank Europe since the date hereof or the date upon which this document has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Dealers expressly do not undertake to any Investor or prospective Investor or purchaser to review the financial conditions or affairs of the Bank or Scotiabank Europe during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

Each Tranche of Bearer Notes (as defined in “Overview of the Programme — Form of Notes” below) will initially be represented by a temporary global note (each a “temporary Global Note”) or a permanent global note (each a “permanent Global Note”) and together with a temporary Global Note, collectively referred to as “Global Notes”) which will (i) if the Global Notes are intended to be issued in the new global note (“NGN”) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the “Common Safekeeper”) for Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”); and (ii) if the Global Notes are not intended to be issued in NGN form, as stated in the applicable Final Terms, be delivered on or prior to the issue date thereof to a common depository on behalf of Euroclear and/or Clearstream, Luxembourg or a depository on behalf of any other agreed clearing system as further described in the “Form of Notes” herein. Interests in temporary Global Notes will be exchangeable for interests in permanent Global Notes or, if so stated in the applicable Final Terms, for definitive Bearer Notes after the date falling 40 days after the issue date upon certification as to non-U.S. beneficial ownership or for definitive Registered Notes (as defined in “Overview of the Programme — Form of Notes” below) at any time after the issue date. Interests in permanent Global Notes will be exchangeable for definitive Bearer Notes or definitive Registered Notes as described under “Summary of Provisions Relating to the Notes while in Global Form”. In the case of Subordinated Notes, an interest in a temporary Global Note may not be exchanged for an interest in a permanent Global Note or, if so stated in the applicable Final Terms, for definitive Notes until after the day falling 40 days after the issue date.

Registered Notes will be represented by Note certificates (each a “Certificate”), one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series (as defined in “Issue of Notes” below). Registered Notes which are held in Euroclear and/or Clearstream, Luxembourg or such other clearing system as may be agreed to between the relevant Issuer, the Guarantor (if applicable), the relevant Dealer, the Fiscal Agent and the Registrar (if applicable), will be registered in the name of nominees for Euroclear and/or Clearstream, Luxembourg (or such other clearing system as may be agreed to between the relevant Issuer, the Guarantor (if applicable), the relevant Dealer, the Fiscal Agent and the Registrar (if applicable)), or a common nominee for both, and the relative Certificate(s) will be delivered to the appropriate depository or, as the case may be, a common depository. References in this Prospectus to “Global Certificates” are to Certificates issued in respect of Registered Notes which are registered in the name of nominees or a common nominee for Euroclear and/or Clearstream, Luxembourg (or such other clearing system as may be agreed to between the relevant Issuer, the Guarantor (if applicable), the relevant Dealer, the Fiscal Agent and the Registrar (if applicable)).

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. None of the Bank, Scotiabank Europe, and the Dealers represents that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Bank, Scotiabank Europe or the Dealers which is intended to permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom), Japan and Canada, see “Plan of Distribution”. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or with any securities regulatory authority of any State or other jurisdiction of the United States and include Notes in bearer form that are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered, directly or indirectly, within the United States, its territories or possessions or to, or for the account or benefit of U.S. persons (as defined in Regulation S

under the Securities Act) unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. The Notes may not be offered, sold or delivered, directly or indirectly, in Canada, or to or for the benefit of, residents of Canada in contravention of the securities laws of Canada or any province or territory thereof. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Prospectus, see “Plan of Distribution”.

The minimum denomination of the Notes shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

Notes (including Subordinated Notes) issued by the Issuers do not evidence or constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act*.

None of this Prospectus, any supplement hereto, any information incorporated by reference herein or therein and, in respect to each Tranche of Notes, the applicable Final Terms constitutes an offer of, or an invitation by or on behalf of the relevant Issuer, the Guarantor (if applicable) or the Dealers to subscribe for, or purchase, any Notes or are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the relevant Issuer, the Guarantor (if applicable) or the Dealers that any recipient of this Prospectus or any Final Terms should subscribe for or purchase any Note. Each recipient of this Prospectus or any Final Terms shall be taken to have made its own independent investigation and appraisal of the condition (financial or otherwise) of, and its overall appraisal of the creditworthiness of, the relevant Issuer and the Guarantor (if applicable) and the terms of the relevant Notes including the merits and risks involved.

The Dealers have not independently verified the information contained herein. None of the Dealers makes any representation, warranty, or undertaking, express or implied, or accepts any responsibility or liability, with respect to the accuracy or completeness of any of the information in this Prospectus or incorporated by reference herein. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the relevant Issuer, the Guarantor (if applicable) or the Dealers that any recipient of this Prospectus, any supplement hereto, any information incorporated by reference herein or therein and in respect to each Tranche of Notes, the applicable Final Terms, should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and the applicable Final Terms and its purchase of Notes should be based upon such investigation as it deems necessary. Neither this Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the relevant Issuer, the Guarantor (if applicable) or any of the Dealers to any person to subscribe for or to purchase any Notes. Potential purchasers cannot rely, and are not entitled to rely, on the Dealers in connection with their investigation of the accuracy of any information or their decision whether to purchase or invest in the Notes. None of the Dealers undertakes to advise any Investor or potential Investor in or purchaser of the Notes of any information coming to the attention of any of the Dealers. The Dealers accept no liability in relation to any information contained herein or incorporated by reference herein or any other information provided by the relevant Issuer and the Guarantor (if applicable) in connection with the Notes, except for any liability arising from or in respect of any applicable law or regulation.

In connection with the issue of any Tranche of Notes under the Programme, the Dealer or Dealers (if any) acting as Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of such Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with applicable laws and rules.

Each potential Investor in the Notes must determine the suitability of that investment in light of the potential Investor's own circumstances. In particular, each potential Investor may wish to consider whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement or any applicable Final Terms;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on the potential Investor's overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency in which the potential Investor's financial activities are denominated principally;

(iv) understands thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect the potential Investor's investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential Investor should not invest in Notes which are complex financial instruments unless it considers that it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effect on the value of the Notes and the impact this investment will have on the potential Investor's overall investment portfolio.

Legal investment considerations may restrict certain investments

The investment activities of certain Investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential Investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing, and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

In this Prospectus, unless otherwise specified or the context otherwise requires, references to "U.S.\$" and to "U.S. dollars" are to the currency of the United States of America, to "\$", "Canadian Dollars" and "dollars" are to the currency of Canada, to "euro" and "€" are to the lawful currency of the member states of the European Union that participate in the single currency in accordance with the EC Treaty, to "Japanese yen", "yen" and "¥" are to the currency of Japan and references to "Sterling" and "£" are to the currency of the United Kingdom.

In this Prospectus, references to the "European Economic Area" or "EEA" are to the Member States of the European Union together with Iceland, Norway and Liechtenstein.

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RISK FACTORS

EACH OF THE ISSUERS AND THE GUARANTOR BELIEVE THAT THE FOLLOWING FACTORS MAY AFFECT THEIR ABILITY TO FULFIL THEIR OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME OR THE GUARANTEE. ALL OF THESE FACTORS ARE CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND NEITHER THE ISSUERS NOR THE GUARANTOR ARE IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCY OCCURRING. IN ADDITION, FACTORS, ALTHOUGH NOT EXHAUSTIVE, WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME ARE ALSO DESCRIBED BELOW.

EACH OF THE ISSUERS AND THE GUARANTOR BELIEVE THAT THE FACTORS DESCRIBED BELOW REPRESENT THE PRINCIPAL RISKS INHERENT IN INVESTING IN NOTES ISSUED UNDER THE PROGRAMME, BUT THE INABILITY OF THE ISSUERS OR THE GUARANTOR TO PAY INTEREST, PRINCIPAL OR OTHER AMOUNTS ON OR IN CONNECTION WITH ANY NOTES MAY OCCUR FOR OTHER REASONS WHICH MAY NOT BE CONSIDERED SIGNIFICANT RISKS BY THE ISSUERS OR THE GUARANTOR BASED ON INFORMATION CURRENTLY AVAILABLE TO THEM OR WHICH THEY MAY NOT CURRENTLY BE ABLE TO ANTICIPATE AND THE ISSUERS AND THE GUARANTOR DO NOT REPRESENT THAT THE STATEMENTS BELOW REGARDING THE RISKS OF HOLDING ANY NOTES ARE EXHAUSTIVE. PROSPECTIVE INVESTORS SHOULD ALSO READ THE DETAILED INFORMATION SET OUT ELSEWHERE IN THIS PROSPECTUS AND REACH THEIR OWN VIEWS PRIOR TO MAKING ANY INVESTMENT DECISION.

THE RISKS DESCRIBED BELOW ARE NOT THE ONLY RISKS THE ISSUERS AND THE GUARANTOR FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE NOT PRESENTLY KNOWN TO THE ISSUERS AND THE GUARANTOR, OR THOSE THEY CURRENTLY BELIEVE TO BE IMMATERIAL, COULD ALSO ADVERSELY AFFECT THE ISSUERS' AND THE GUARANTOR'S FINANCIAL CONDITION, RESULTS AND BUSINESS.

PROSPECTIVE INVESTORS MAY WISH TO CONSIDER CONSULTING THEIR OWN FINANCIAL AND LEGAL ADVISORS AS TO THE RISKS ENTAILED BY AN INVESTMENT IN ANY NOTES.

CERTAIN ISSUES OF NOTES INVOLVE A HIGH DEGREE OF RISK AND POTENTIAL INVESTORS SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT.

References herein to the Bank include the Bank in its capacity as an Issuer and in its capacity as the Guarantor.

Factors that may affect the ability of the relevant Issuer or the Guarantor to fulfill their respective obligations under the Notes issued under the Programme:

Industry and non-company factors

As international financial services companies, the Issuers' and the Guarantor's revenues and earnings are affected by the general economic conditions in each of the countries in which the relevant Issuer or the Guarantor conducts business.

Factors such as interest rates, foreign exchange rates, consumer spending, business investment, government spending, the health of the capital markets, inflation and terrorism impact the business and economic environments in which the relevant Issuer or the Guarantor operates and, ultimately, the amount of business the relevant Issuer or the Guarantor conducts in a specific geographic region.

The movement of the Canadian dollar relative to other currencies may affect the Bank's revenues, expenses and earnings.

The Bank'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. Such fluctuations may affect the Bank's overall business and financial results.

The Bank's earnings are affected by the monetary policies of the Bank of Canada.

Bond and money market expectations about inflation and central bank monetary policy decisions are beyond the Bank's control, are difficult to predict or anticipate and have an impact on the level of interest rates, fluctuation of which can have an impact on the Bank's earnings.

The relevant Issuer's or the Guarantor's performance can be influenced by the degree of competition in the markets in which it operates.

The competition for customers among financial services companies in the consumer and business markets in which the relevant Issuer or the Guarantor operates is intense. Competition for market share is dependent upon a number of factors, including service levels, product pricing and attributes, the relevant Issuer's or the Guarantor's reputation and actions of competitors. Competition from non-financial companies could also reduce fee revenues and adversely affect the relevant Issuer's or the Guarantor's earnings.

Changes in the statutes, regulations and regulatory policies that govern activities in the relevant Issuer's or the Guarantor's various business lines could affect the relevant Issuer's or Guarantor's results.

Regulations are in place to protect the financial and other interests of the relevant Issuer's or the Guarantor's clients. Changes to statutes, regulations or regulatory policies, including changes in the interpretation, implementation or enforcement of statutes, regulations or regulatory policies, could adversely affect the relevant Issuer or the Guarantor by increasing the ability of competitors to compete with the products and services the relevant Issuer or the Guarantor provides and increasing the relevant Issuer's or the Guarantor's cost of compliance. In addition, the relevant Issuer's or the Guarantor's failure to comply with applicable statutes, regulations or regulatory policies could result in sanctions and financial penalties by regulatory agencies that could adversely impact the relevant Issuer's or the Guarantor's reputation and earnings.

Judicial or regulatory judgments and legal proceedings against the Issuers or the Guarantor may adversely affect the relevant Issuer's or the Guarantor's results.

Although the Issuers and the Guarantor take what they believe to be reasonable measures designed to ensure compliance with governing statutes, laws, regulations and regulatory policies in the jurisdictions in which they conduct business, there is no assurance that the Issuers and the Guarantor will always be in compliance or deemed to be in compliance. Accordingly, it is possible that the relevant Issuer or the Guarantor could receive a judicial or regulatory judgment or decision that results in fines, damages and other costs that would damage its reputation and have a negative impact on the relevant Issuer's or the Guarantor's earnings. The Issuers and the Guarantor are also subject to litigation arising in the ordinary course of their business. The adverse resolution of any litigation could have a material adverse effect on the relevant Issuer's or the Guarantor's results or could give rise to significant reputational damage, which could impact the relevant Issuer's or the Guarantor's future business prospects.

Failure to obtain accurate and complete information from or on behalf of the relevant Issuer's customers or the Guarantor's customers and counterparties could adversely affect the relevant Issuer's or the Guarantor's results.

When deciding to extend credit or enter into other transactions with customers and counterparties, the Issuers and the Guarantor may each rely on information provided to it by or on behalf of customers and counterparties, including audited financial statements and other financial information. The Issuers and the Guarantor also may rely on representations of customers and counterparties as to the completeness and accuracy of the information. The relevant Issuer's or the Guarantor's financial results could be adversely impacted if the financial statements and other financial information relating to customers and

counterparties on which it relies do not comply with the relevant generally accepted accounting practices or are materially misleading.

Bank and Scotiabank Europe specific factors

Certain accounting standards allow the Bank's and Scotiabank Europe's management to choose the accounting policies and methods for reporting the Bank's and Scotiabank Europe's financial condition and results of operations. 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 Bank and Scotiabank Europe's results of operations and financial condition.

From November 1, 2011, the Bank's financial condition and results of operations for interim and annual reports have been reported using accounting policies and methods prescribed by IFRS. For previous years, the Bank's financial condition and results of operations have been reported using accounting policies and methods prescribed by Part V of the Handbook of the Canadian Institute of Chartered Accountants – Pre-Changeover Accounting Standards (“Canadian GAAP”).

As detailed in the section entitled “Critical Accounting Estimates” on pages 72 to 82 of the Bank's 2012 Annual Report, which pages are contained in the section of the 2012 Annual Report incorporated herein by reference, certain accounting policies have been identified as being “critical” to the presentation of the Bank's financial condition and results of operations as they (i) require management to make particularly subjective and/or complex judgments 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 Bank's results of operations or reported financial condition. These critical accounting policies and estimates relate to the determination of the Bank's allowance for credit losses, the determination of the fair value of financial instruments and impairment of available for sale securities, the cost of employee benefits, the provision for corporate income taxes, whether or not special purpose entities should be consolidated, assessment of impairment of goodwill and accruals for contingent liabilities and off-balance sheet credit risks.

As large organisations, the Issuers and the Guarantor are exposed to operational and infrastructure risks.

Similar to all large organisations, the Issuers and the Guarantor are exposed to many types of operational risk, including the risk of fraud by employees or outsiders, unauthorized transactions by 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 Issuers and the Guarantor process on a daily basis, certain errors may be repeated or compounded before they are discovered and successfully rectified. Shortcomings or failures in the Issuers' or the Guarantor's internal processes, people or systems, including any of the Issuers' or the Guarantor's financial, accounting or other data processing systems, could lead to, among other consequences, financial loss and reputational damage. In addition, despite the contingency plans the Issuers and the Guarantor have in place, the Issuers' and the Guarantor's ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports the Issuers' and the Guarantor's businesses and the communities in which they are located. This may include a disruption involving electrical, communications, transportation or other services used by the Issuers and the Guarantor or third parties with which the Issuers and the Guarantor conduct business.

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

Other factors

Other factors that may affect future results of the Issuers or the Guarantor include:

- amendments to, and interpretations of, risk-based capital guidelines and reporting instructions may require each Issuer and the Guarantor to reallocate capital resources among their business lines, which could have a material impact on the Issuers' or the Guarantor's financial results and the relevant Issuer's or the Guarantor's ability to make payments on the Notes;
- changes to accounting standards, rules and interpretations may have a material impact on the Issuers' or the Guarantor's financial results;
- changes in the Issuers' or the Guarantor's estimates of reserves and allowances may have a material impact on the Issuers' or the Guarantor's financial results;
- changes in tax laws may have a material impact on the Issuers' or the Guarantor's financial results;
- political conditions and developments may adversely impact the Issuers' or the Guarantor's business and the relevant Issuer's and the Guarantor's ability to make payments on the Notes;
- the Issuers' or the Guarantor's business may be adversely impacted by international conflicts and the war on terror;
- natural disasters and public health emergencies may adversely affect the financial condition of the Issuers or the Guarantor and the relevant Issuer's or the Guarantor's ability to make payments on the Notes;
- disruptions in public infrastructure and other catastrophic events may adversely affect the Issuers' or the Guarantor's business and financial condition;
- technological changes may affect the Issuers' or the Guarantor's ability to keep pace with competitors and/or expose the Issuers or the Guarantor to security risks that could adversely affect the Issuers' or the Guarantor's financial results;
- changes in client spending habits may adversely affect the Issuers' or the Guarantor's financial results;
- the failure of third parties to comply with their obligations to the Issuers and/or the Guarantor and their respective affiliates may adversely affect the Issuers' or the Guarantor's financial results and financial condition;
- if the Issuers or the Guarantor are unable to anticipate and manage the risks associated with all of the above factors, there could be a material impact on the Issuers' or the Guarantor's financial results and financial condition and the relevant Issuer's or the Guarantor's ability to make payment on the Notes.

Factors that are material for the purpose of assessing the market risks associated with Notes issued under the Programme.

Each of the risks highlighted below could adversely affect the trading price of any Notes or the rights of Investors under any Notes and, as a result, Investors could lose some or all of their investment. The Issuers and the Guarantor believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuers and the Guarantor may be unable to pay amounts on or in connection with Notes for other reasons.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential Investors. Set out below is a description of the most common such features:

Notes subject to optional redemption by the Issuers

An optional redemption feature of Notes is likely to limit their market value and could reduce secondary market liquidity. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an Investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential Investors should consider reinvestment risk in light of other investments available at that time.

The secondary market price of the Notes may be less than the Issue Price

Investors should note that, in certain circumstances immediately following the issue of the Notes, the secondary market price of the Notes may be less than the Issue Price in the event that the Issue Price included the fees to be paid to distributor(s).

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on the other Notes. If the relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The prices at which Zero Coupon Notes, as well as other Notes issued at a substantial discount or premium from their principal amount payable at maturity, trade in the secondary market tend to fluctuate more in relation to general changes in interest rates than do the prices for conventional interest-bearing securities of comparable maturities. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Additional Risk Factors

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Notes not in physical form

Unless the Global Notes are exchanged for definitive Notes, which exchange will only occur in the limited circumstances described below in “Summary of Provisions Relating to the Notes While in Global Form”, the beneficial ownership of the Notes will be recorded in book-entry only form with Euroclear and Clearstream, Luxembourg or another agreed clearing system. The fact that the Notes are not represented in physical form could, among other things:

- result in payment delays on the Notes because distributions on the Notes will be sent by, or on behalf of, the applicable Issuer to Euroclear or Clearstream, Luxembourg or another agreed clearing system instead of directly to Noteholders;
- make it difficult for Noteholders to pledge the Notes as security if Notes in physical form are required or necessary for such purposes; and
- hinder the ability of Noteholders to resell the Notes because some Investors may be unwilling to buy Notes that are not in physical form.

Canadian Usury Laws

All Notes issued under the Programme are governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The *Criminal Code* (Canada) prohibits the receipt of “interest” at a “criminal rate” (namely, an effective annual rate of interest of 60%). Accordingly, the provisions for the payment of interest or a Redemption Amount in excess of the aggregate principal amount of the Notes may not be enforceable if the provision provides for the payment of “interest” in excess of an effective annual rate of interest of 60%.

Risks related to the Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification and waivers

The Amended and Restated Agency Agreement dated June 28, 2013 between the Issuers, the Guarantor, The Bank of Nova Scotia, London Branch as Fiscal Agent, Principal Paying Agent, Registrar, Calculation Agent and Transfer Agent and The Bank of Nova Scotia, Global Wholesale Services as Paying Agent and Transfer Agent (as amended or supplemented from time to time, the “Agency Agreement”) contains provisions for calling meetings of Noteholders to consider matters affecting their interest generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who do not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions of the Notes also provide that the Agency Agreement, the Notes and any Receipts and Coupons attached to the Notes may be amended by the relevant Issuer, the Guarantor (if applicable) and the Fiscal Agent without the consent of the holder of any Note, Receipt or Coupon (i) for the purpose of curing any ambiguity, or for curing, correcting or supplementing any defective provision contained therein or to provide for substitution of Scotiabank Europe, (ii) to make any further modifications of the terms of the Agency Agreement necessary or desirable to allow for the issuance of any additional Notes (which modifications shall not be materially adverse to holders of outstanding Notes) or (iii) in any manner which the relevant Issuer, the Guarantor (if applicable) and the Fiscal Agent may deem necessary or desirable and which shall not materially adversely affect the interests of the holders of the Notes, Receipts and Coupons.

Tax treatment

The tax treatment of any amount to be paid in relation to the Notes to a Holder may reduce such Holder’s effective yield on the Notes. Prospective Investors should consult their tax advisors about their own tax situation.

U.S. Foreign Account Tax Compliance Withholding

Whilst the Notes are in global form and held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing systems (see “Certain Tax Legislation Affecting the Notes – Foreign Account Tax Compliance Act”). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. Each Issuer’s obligations under the Notes are discharged once the paying agent has paid the clearing systems (as bearer or registered holder of the Notes) and each Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the clearing systems and custodians or intermediaries.

The Bank’s obligations under Subordinated Notes are subordinated

The Bank’s obligations under Subordinated Notes will be unsecured and subordinated in right of payment to the prior payment in full of the deposit liabilities of the Bank and all other liabilities of the Bank except those liabilities which by their terms rank in right of payment equally with or are subordinate to indebtedness evidenced by such subordinated indebtedness. Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that Investors in Subordinated Notes will lose some or all of their investment should the Bank become insolvent. Holders of Subordinated Notes have only a limited right to accelerate payment of principal on default and a default may be declared and the obligation to repay principal accelerated only in prescribed circumstances summarized under “Events of Default” in the Conditions. Except to the extent regulatory capital requirements affect the Bank’s decisions to issue subordinated debt or more senior debt, there is no limit on the Bank’s ability to incur subordinated debt or more senior debt.

Insolvency procedures

In the event that the relevant Issuer or the Guarantor becomes insolvent, proceedings will be generally governed by the insolvency laws of the relevant Issuer’s or the Guarantor’s jurisdiction (the “Relevant Insolvency Jurisdiction”). The insolvency laws of the Relevant Insolvency Jurisdiction may be different from the insolvency laws of an Investor’s home jurisdiction and the treatment and ranking of holders of Notes issued by the relevant Issuer and the relevant Issuer’s other creditors and shareholders under the insolvency laws of a Relevant Jurisdiction may be different from the treatment and ranking of holders of those Notes and the relevant Issuer’s other creditors and shareholders if the relevant Issuer was subject to the insolvency laws of the Investor’s home jurisdiction.

Changing Regulatory Landscape

In December 2010, the Basel Committee published changes to the regulatory requirements that affect financial institutions, including a number of changes to the existing capital rules and the introduction of a global liquidity standard. A summary of the Basel III key changes is set out on page 39 of the Bank’s 2012 Annual Report, page 18 of the Bank’s 2013 First Quarter Report to Shareholders and on pages 30 to 31 of the Bank’s 2013 Second Quarter Report to Shareholders.

While the Bank constantly monitors regulatory developments, no assurance can be given as to the impact of any possible future regulatory development on the financial performance of the Bank or Scotiabank Europe or the pricing of Notes issued under the Programme.

European Monetary Union

If the United Kingdom joins the European Monetary Union prior to the maturity of any Notes that are denominated or payable in Sterling, there is no assurance that this would not adversely affect Investors in such Notes. It is possible that prior to the maturity of such Notes the United Kingdom may become a participating Member State and that the euro may become the lawful currency of the United Kingdom (although the current UK coalition government has ruled out preparing for or joining the euro for the duration of the coalition agreement as published in full on 20 May 2010). In that event (i) all amounts payable in respect of any Notes denominated in Sterling may become payable in euro, (ii) the law may allow or require such Notes to be re-denominated into euro and additional measures to be taken in respect of such Notes, and (iii) there may no longer be available published or displayed rates for deposits in Sterling used to determine the rates of interest on such Notes or changes in the way those rates are calculated, quoted and published or displayed.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the “Directive”), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the relevant Issuer nor the Guarantor (in respect of Guaranteed Notes) nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuers are required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

General volatility in the funding markets

Since the second half of 2007, disruption in the global markets, coupled with the re-pricing of credit risk and the deterioration of the housing markets in the United States and elsewhere, have created difficult conditions in the financial markets. These conditions have resulted in historic volatility, less liquidity or no liquidity, widening of credit spreads and a lack of price transparency in certain markets, both primary and secondary. These adverse market conditions resulted in the failures of a number of financial institutions in the United States and Europe and are continuing to cause volatility and economic disruption in some major economies. While central banks and governments around the world have taken coordinated efforts to increase liquidity in the financial markets, it is difficult to predict whether, to what extent or how long the adverse market conditions will continue to exist or whether they will worsen or how long such central bank and government efforts will continue to be available or on what terms. Any worsening of market conditions and the uncertainty as to the continued availability of central bank and government efforts to provide liquidity and/or funding could have a material adverse effect on the Bank’s liquidity and funding.

Change of law

The terms and conditions of the Notes are based on the laws of the Province of Ontario and the federal laws of Canada applicable therein in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of the Province of Ontario or

the federal laws of Canada applicable therein or administrative practice after the date of this Prospectus and before the date on which the relevant Notes are issued.

Notes in New Global Note form

The New Global Note form has been introduced to allow for the possibility of Notes being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the central banking system for the euro (the “Eurosysteem”) and intra-day credit operations by the Eurosysteem either upon issue or at any or all times during their life. However, in any particular case such recognition will depend upon satisfaction of the Eurosysteem eligibility criteria at the relevant time. Investors should make their own assessment as to whether the Notes meet such Eurosysteem eligibility criteria.

Integral multiples of less than €100,000

Notes will have a minimum Specified Denomination of €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes). If so specified in the applicable Final Terms, such Notes may be traded in the minimum Specified Denomination and one or more integral multiple of another smaller amount in excess thereof. In such a case, a holder who, as a result of trading such amounts, is left with an amount that is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be provided) and may need to purchase or sell a principal amount of Notes such that its holding amounts to at least the minimum Specified Denomination (or an integral multiple thereof) on or before the relevant date on which definitive Notes are to be issued.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

The return on an investment in Notes will be affected by charges incurred by Investors

An Investor’s total return on an investment in Notes will be affected by the level of fees charged to the Investor, including fees charged to the Investor as a result of the Notes being held in a clearing system. Such fees may include charges for opening accounts, transfers of securities, custody services and fees for payment of principal, interest or other sums due under the terms of the Notes. Investors should carefully investigate these fees before making their investment decision.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally; current lack of liquidity

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, Investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of Investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

Illiquidity may have a severely adverse effect on the market value of Notes and Investors may suffer losses on the Notes in secondary market transactions even if there is no decline in the performance of the relevant Issuer and/or the Guarantor.

Exchange rate risks and exchange controls

The relevant Issuer will pay principal and interest on the Notes and, if applicable, the Guarantor will make payments under the Guarantee, in the Specified Currency as set out in the applicable Final Terms. This presents certain risks relating to currency conversions if an Investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Investors may receive less interest or principal than expected, or no interest or principal or receive payments in a significantly devalued Specified Currency.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings might not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings might not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation") from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority ("ESMA") on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the ratings will be disclosed in the Final Terms.

There is no assurance that a rating will remain for any given period of time or that a rating will not be suspended, lowered or withdrawn by the relevant rating agency if, in its judgement, circumstances in the future so warrant. In the event that a rating assigned to the Notes or the relevant Issuer or the Guarantor is subsequently suspended, lowered or withdrawn for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to the Notes, the relevant Issuer or the Guarantor may be adversely affected, the market value of the Notes is likely to be adversely affected and the ability of the relevant Issuer or the Guarantor to make payments under the Notes or the Guarantee, as the case may be, may be adversely affected.

Interest of Dealers

Certain Dealers and their affiliates have engaged, and may in the future engage, in investment bank and/or commercial banking transactions with, and may perform services for, the relevant Issuer or the Guarantor in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the relevant Issuer, the Guarantor or their respective affiliates. Certain Dealers or their affiliates that have a lending relationship with the Issuer or the Guarantor routinely hedge their credit exposure to the Issuers consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Each Issuer may sell Notes to one or more of the Dealers including Scotiabank Europe plc. The terms of the Programme were negotiated at arms-length between the Issuers, the Guarantor and the Dealers. In addition to any proceeds from any offering of the Notes under the Programme being applied, directly or indirectly for the benefit of Scotiabank Europe plc in its capacity as a wholly-owned direct subsidiary of the Bank, it will receive a portion of any fees and commissions payable in connection with any such offering of Notes in its capacity as a Dealer.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Prospectus and as of the date of this Prospectus have been filed with the UK Listing Authority shall be deemed to be incorporated in, and to form part of, this Prospectus:

(1) the Bank's comparative unaudited interim consolidated financial statements for the three and six month periods ended April 30, 2013 prepared in accordance with the International Financial Reporting Standards ("IFRS"), together with management's discussion and analysis for the three and six month periods ended April 30, 2013, set out on pages 3 and 5 through 66 of the Bank's 2013 Second Quarter Report to Shareholders;

(2) the Bank's comparative unaudited interim consolidated financial statements for the three month period ended January 31, 2013 prepared in accordance with IFRS, together with management's discussion and analysis for the three month period ended January 31, 2013, set out on pages 3 and 5 through 57 of the Bank's 2013 First Quarter Report to Shareholders;

(3) the Bank's Annual Information Form dated December 7, 2012 for the year ended October 31, 2012 excluding all information incorporated therein by reference;

(4) the Bank's audited consolidated financial statements as at and for the years ended October 31, 2012 and October 31, 2011, prepared in accordance with IFRS together with the auditors' report thereon and Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended October 31, 2012, all as set out on pages 12 to 196 of the Bank's Annual Report for the year ended October 31, 2012;

(5) annual audited financial statements of Scotiabank Europe, prepared in accordance with IFRS, for the years ended October 31, 2012 and October 31, 2011 together with the auditors' report thereon;

(6) the Bank's Material Change Report dated June 3, 2013 relating to the resignation of the Chief Executive Officer; and

(7) the sections entitled "Terms and Conditions of the Notes" set out in the Issuers' base prospectuses (where applicable) dated June 27, 2012, December 29, 2011, January 7, 2011, January 8, 2010, January 9, 2009, January 18, 2008 and January 26, 2007; and for the avoidance of doubt, the applicable Final Terms for a Tranche of Notes will indicate the Terms and Conditions applicable to such Tranche of Notes and, unless otherwise indicated in the applicable Final Terms, the Terms and Conditions of all Notes issued after the date hereof shall be those set out in this Prospectus,

provided that any statement contained in a document all or the relative portion of which is incorporated by reference shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein or in any supplement hereto, including any document incorporated therein by reference, modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

Information, documents or statements expressed to be incorporated by reference into or form part of the documents noted above shall not form part of the base prospectus approved by the UK Listing Authority for the purposes of the Prospectus Directive. Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus.

Copies of this Prospectus and the documents incorporated by reference in this Prospectus can be obtained on written request and without charge from (i) the principal executive offices of the Bank from the Executive Vice-President, General Counsel and Secretary, The Bank of Nova Scotia, Scotia Plaza, 44 King Street West, Toronto, Ontario M5H 1H1, Canada, Telephone: +1 (416) 866-3672, (ii) the registered office of Scotiabank Europe from the Company Secretary, Scotiabank Europe plc, 201 Bishopsgate, 6th Floor, London EC2M 3NS and (iii) from the offices of the Principal Paying Agent, Registrar, Calculation

Agent and Transfer Agent, The Bank of Nova Scotia, London Branch, 201 Bishopsgate, 6th Floor, London EC2M 3NS, United Kingdom; Telephone: +44 (0)20 7638 5644 and may also be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name of the relevant Issuer.

ISSUE OF NOTES

Notes issued by each Issuer will be issued on a continuous basis in series (each a “Series”) having one or more issue dates. All Notes of the same Series shall have identical terms (or identical other than in respect of the issue date, the issue price and the first payment of interest), it being intended that each Note of a Series will be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “Tranche”) on different issue dates and at different issue prices. The specific terms of each Tranche will be set forth in the applicable final terms to this Prospectus (each “Final Terms”). The Final Terms relating to each Tranche of Notes will be in, or substantially in, the form attached either as Schedule A or Schedule B to this Prospectus.

SUPPLEMENTARY PROSPECTUSES

Each Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus (as amended and supplemented by any prior Supplementary Prospectus) which is capable of affecting the assessment of any Notes, prepare or procure the preparation of a Supplementary Prospectus which shall amend and/or supplement this Prospectus (as amended and supplemented from time to time) or publish a new Prospectus in compliance with Section 87G of the Financial Services and Markets Act 2000 (“FSMA”) prior to completing any subsequent offering by such Issuer of Notes to be listed on the Regulated Market.

OVERVIEW OF THE PROGRAMME

THE FOLLOWING OVERVIEW DOES NOT PURPORT TO BE COMPLETE AND IS TAKEN FROM, AND IS QUALIFIED IN ITS ENTIRETY BY, THE REMAINDER OF THIS PROSPECTUS AND, IN RELATION TO THE TERMS AND CONDITIONS OF ANY PARTICULAR SERIES OF NOTES, THE APPLICABLE FINAL TERMS. THE ISSUER AND ANY RELEVANT DEALER MAY AGREE THAT NOTES SHALL BE ISSUED IN A FORM OTHER THAN THAT CONTEMPLATED IN THE TERMS AND CONDITIONS, IN WHICH EVENT, IF APPROPRIATE, A NEW PROSPECTUS WILL BE PUBLISHED.

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive.

Words and expressions defined in “Terms and Conditions of the Notes” below shall have the same meanings in this summary.

Issuers:	The Bank of Nova Scotia (the “Bank”) and Scotiabank Europe plc (“Scotiabank Europe” and collectively with the Bank, the “Issuers” and each an “Issuer”)
Guarantor of Guaranteed Notes:	The Bank of Nova Scotia
Description:	Euro Medium Term Note Programme (the “Programme”)
Arrangers:	Barclays Bank PLC and Scotiabank Europe plc
Dealers:	Barclays Bank PLC, BNP PARIBAS, Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, Goldman Sachs International, HSBC Bank plc, J.P. Morgan Securities plc, Merrill Lynch International, Morgan Stanley & Co. International plc, Scotiabank Europe plc, The Royal Bank of Scotland plc, UBS Limited and Wells Fargo Securities International Limited.
Fiscal Agent, Principal Paying Agent, Registrar, Calculation Agent and Transfer Agent:	The Bank of Nova Scotia, London Branch
Paying Agent and Transfer Agent:	The Bank of Nova Scotia, Global Wholesale Services
Size:	Up to U.S.\$20,000,000,000 (or its equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any one time. Within such aggregate principal amount of Notes, Scotiabank Europe may issue up to U.S.\$1,000,000,000 (or its equivalent in other currencies at the date of issue) aggregate principal amount of Guaranteed Notes or such other amount as may be authorised from time to time.
Risk Factors:	There are certain factors which may affect the Issuers’ abilities to fulfil their obligations under the Notes and the Guarantor’s ability to fulfil its obligations under the Guarantees. Economic changes, movement of the Canadian dollar, inflation and Bank of Canada monetary policy decisions, competition, changes in law, legal proceedings, failure to obtain accurate and complete information from customers and counterparties may impact the Bank’s earnings, reputation and business.

Accounting policies and methods chosen by management could affect the

Bank's reported financial condition. Operational and infrastructure risks may lead to financial and reputational loss.

There are certain factors which are material for the purpose of assessing the risks associated with investing in any issue of Notes. Notes may be subject to optional or early redemption by the relevant Issuer. The secondary market price of the Notes may be less than the Issue Price immediately after issue. The *Criminal Code* (Canada) prohibits the receipt of "interest" at an effective annual rate in excess of 60%.

There are risks relating to the Notes generally, including modifications and waivers, tax treatment, FATCA, obligations under Subordinated Notes, governing law of any insolvency proceedings, law and regulatory changes, European Monetary Union, EU Savings Directive, general volatility in the funding markets, Eurosystem eligibility of Notes, Notes traded in integral multiples of less than €100,000 and the return on an investment in Notes will be affected by charges incurred by investors.

In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes which may impact the value of Notes, amongst other things. These risks include liquidity, exchange rates, interest rate, Dealers' interest in the Issuer and credit ratings.

See "*Risk Factors*".

Specified Currencies:	As agreed by the relevant Issuer and the relevant Dealers.
Maturities:	Notes may be issued with any maturity between one month and 99 years. Unless otherwise permitted by then current laws, regulations and directives, Subordinated Notes will have a maturity of not less than five years.
Specified Denomination:	As specified in the applicable Final Terms, provided that the minimum denomination shall be €100,000 (or the equivalent of such amounts in another currency as at the date of issue of the Notes), save that the minimum denomination of each Note will in each case comply with all applicable legal, regulatory and central bank requirements.
Method of Issue:	Syndicated or non-syndicated basis. Notes issued by the Issuers will be issued in one or more Series. Notes may be issued in Tranches on a continuous basis with no minimum issue size. Further Notes may be issued as part of an existing Series.
Form of Notes:	Notes may be issued in bearer form only ("Bearer Notes"), in bearer form exchangeable for Registered Notes ("Exchangeable Bearer Notes") or in registered form only ("Registered Notes"). See "Form of Notes" herein.
Guarantee:	Notes issued by Scotiabank Europe will be issued with the benefit of the unconditional and irrevocable Guarantee of the Guarantor under which the Guarantor will guarantee the payment of all amounts payable in respect of such Guaranteed Notes.
Issue Price:	Notes may be issued at their principal amount or at a discount or premium to their principal amount.
Terms of Notes:	Notes may bear interest at a fixed or floating rate or may not bear interest as specified in the applicable Final Terms. The Final Terms will indicate either that the relevant Notes may not be

redeemed prior to their stated maturity (other than in specified instalments, (if applicable), for taxation reasons, following an Event of Default and acceleration of the Notes, or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders.

Fixed Interest Rate Notes:	Fixed interest will be payable in arrear on the date or dates in each year specified in the applicable Final Terms.
Floating Rate Notes:	Floating Rate Notes will bear interest set separately for each Series by reference to the benchmark rate specified in the applicable Final Terms, as adjusted for any applicable margin. Interest periods will be specified in the applicable Final Terms.
Zero Coupon Notes:	Zero Coupon Notes may be issued at their principal amount or at a discount to it.
Interest Periods and Interest Rates:	The length of the interest periods and the applicable interest rate or its method of calculation may differ from time to time or be constant. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the applicable Final Terms.
Redemption by Instalments:	The Final Terms issued in respect of each issue of Notes which are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed and the other terms applicable to such redemption.
Optional Redemption:	<p>The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the relevant Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.</p> <p>As at the date hereof, Subordinated Notes may only be redeemed at the option of the Bank with the prior approval of the Superintendent of Financial Institutions (Canada).</p>
Redemption of Notes:	Unless otherwise redeemed in accordance with their terms, Notes will be redeemed at maturity at their Final Redemption Amount.
Negative Pledge:	None.
Cross-default:	None.
Status of Notes and Guarantee:	<p>Deposit Notes will constitute deposit liabilities of the Bank, will be unsubordinated and unsecured obligations of the Bank and will rank <i>pari passu</i> with all other present or future deposit liabilities of the Bank (except as otherwise prescribed by law) and without any preference amongst themselves.</p> <p>Subordinated Notes are only issuable by the Bank and will constitute direct unsecured obligations of the Bank, are subordinated indebtedness for the purposes of the Bank Act and rank equally among themselves and at least equally and rateably with all other present or future subordinated debt obligations of the Bank, other than liabilities having priority to the Subordinated Notes by virtue of any law now or hereafter in force.</p>

The indebtedness evidenced by the Subordinated Notes will, in the event of the insolvency or winding-up of the Bank, be subordinate in right of payment to all deposit liabilities of the Bank and all other liabilities of the Bank except those that, by their terms, rank equally with or are subordinated to such indebtedness.

Guaranteed Notes issued by Scotiabank Europe will be unsecured and unsubordinated debt obligations of Scotiabank Europe and will rank *pari passu* with all other present or future unsecured and unsubordinated debt obligations of Scotiabank Europe (except as otherwise prescribed by law). Payment of all amounts, including additional amounts, if any, payable on Notes issued by Scotiabank Europe will be unconditionally and irrevocably guaranteed by the Guarantor in the manner set forth in the Guarantee attached to such Guaranteed Notes. The obligations of the Guarantor under the Guarantees will rank *pari passu* with all present or future deposit liabilities of the Guarantor (except as otherwise prescribed by law) and without any preference amongst themselves.

Early Redemption:	Except as provided in “Optional Redemption” above, Notes will be redeemable at the option of the relevant Issuer prior to maturity only for tax reasons as described in “Terms and Conditions of the Notes — Redemption, Purchase and Options — Redemption for taxation reasons”.
Withholding Tax:	All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of Canada, or any province or territory thereof and of the country in which the branch of account for Deposit Notes is located and of the United Kingdom subject to certain exceptions, all as described in “Terms and Conditions of the Notes — Taxation”.
Governing Law:	The laws of the Province of Ontario and the laws of Canada applicable therein.
Listing:	Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange’s regulated market.
Selling Restrictions:	See “Plan of Distribution”.

FORM OF NOTES

Each Tranche of Bearer Notes having an original maturity of more than one year will initially be represented by a temporary Global Note and each Tranche of Bearer Notes having an original maturity of one year or less will initially be represented by a permanent Global Note which, in each case, will (i) if the Global Notes are intended to be issued in the new global note (“NGN”) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the “Common Safekeeper”) for Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”); and (ii) if the Global Notes are not intended to be issued in NGN form, as stated in the applicable Final Terms, be delivered on or prior to the issue date thereof to a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg or any other agreed clearing system as further described in the “Form of Notes” herein. No interest will be payable in respect of a temporary Global Note except as described under “Summary of Provisions Relating to the Notes while in Global Form”. Interests in temporary Global Notes will be exchangeable for interests in permanent Global Notes or, if so stated in the applicable Final Terms, for definitive Bearer Notes after the date falling not earlier than 40 days after the issue date upon certification as to non-U.S. beneficial ownership or (in the case of Exchangeable Bearer Notes) definitive Registered Notes at any time after the issue date. In the case of Subordinated Notes, an interest in a temporary Global Note may not be exchanged for an interest in a permanent Global Note or, if so stated in the applicable Final Terms, for definitive Notes, until after the day falling 40 days after the issue date. Interests in permanent Global Notes will be exchangeable for definitive Bearer Notes or (in the case of Exchangeable Bearer Notes) definitive Registered Notes, if so indicated in the applicable Final Terms, as described under “Summary of Provisions Relating to the Notes while in Global Form”. Registered Notes will be represented by Note certificates (each a “Certificate”), one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Registered Notes which are held in Euroclear and/or Clearstream, Luxembourg or any other agreed clearing system will be registered in the name of nominees for Euroclear and/or Clearstream, Luxembourg or such other agreed clearing system, or a common nominee for all such clearing systems, and the relative Certificate(s) will be delivered to the appropriate depositary or, as the case may be, a common depositary.

Bearer Notes will be issued in compliance with U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the “TEFRA D Rules”) unless (i) the applicable Final Terms state that the Bearer Notes are issued in compliance with U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the “TEFRA C Rules”) or (ii) the Bearer Notes are issued other than in compliance with the TEFRA D Rules or the TEFRA C Rules but in circumstances in which the Bearer Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”), which circumstances will be referred to in the applicable Final Terms as a transfer to which TEFRA is not applicable.

Notes will be issued in compliance with subsection 240(2) of the Income Tax Act (Canada). Under that provision, where a right to interest on a debt obligation is evidenced by a coupon or other writing that does not form part of, or is capable of being detached from, the evidence of indebtedness, the coupon or other writing is to be marked or identified in prescribed manner by the letters “AX” in the case of a “taxable obligation” (as defined) or the letter “F” in the case of a “non-taxable obligation” (as defined).

THE BANK OF NOVA SCOTIA

History and Development of the Bank

The Bank was granted a charter under the laws of the Province of Nova Scotia in 1832 and commenced operations in Halifax, Nova Scotia in that year. Since 1871, the Bank has been a chartered bank under the Bank Act. The Bank is a Schedule I bank under the Bank Act and the Bank Act is its charter. The head office of the Bank is located at 1709 Hollis Street, Halifax, Nova Scotia, B3J 3B7 and its executive offices are at Scotia Plaza, 44 King Street West, Toronto, Ontario M5H 1H1.

The Bank is a leading multinational financial services provider and Canada's most international bank. Through its team of more than 83,000 employees, the Bank and its affiliates offer a broad range of products and services, including retail, commercial, corporate and investment banking to some 19 million customers in more than 55 countries around the world.

Certain information regarding the Bank is incorporated by reference into this Prospectus. See "Documents Incorporated by Reference".

Principal Activities and Markets

The Bank has four major business lines: Canadian Banking, International Banking, Global Banking and Markets and Global Wealth Management. Each of these four major business lines is discussed below and additional information on the Bank's business lines is available in Management's Discussion and Analyses of Financial Condition and Results of Operations for the year ended October 31, 2012, on pages 44 to 54 inclusive, accompanying the Bank's audited consolidated financial statements for the fiscal year ended October 31, 2012, incorporated by reference herein.

Canadian Banking

Canadian Banking provides a full suite of financial advice and solutions, supported by an excellent customer experience, to over 7.5 million personal and business customers across Canada, via 1,037 branches, 3,488 automated banking machines ("ABMs"), as well as internet, mobile and telephone banking, specialized sales teams, and third party channels. Canadian Banking is comprised of two main businesses: Retail and Small Business Banking and Commercial Banking. A description of each is outlined below:

- Retail and Small Business Banking provides financial advice and solutions to individuals and small businesses, such as day-to-day banking products, including debit cards, deposit accounts, credit cards, investments, mortgages, loans, and related creditor insurance products.
- Commercial Banking delivers advisory services and a full solutions suite to medium and large businesses, including banking, cash management, and a broad array of lending, deposit and cash management services.

International Banking

International Banking encompasses the Bank's retail and commercial banking operations in more than 55 countries outside Canada – an international presence unmatched by other Canadian banks. This business line has operations in Latin America, the Caribbean and Central America, and Asia, with more than 69,000 employees (including subsidiaries and affiliates). A full range of personal and commercial financial services is provided to over 13.5 million customers through a network of over 2,800 branches and offices, 6,833 ABMs, mobile, internet and telephone banking, in-store banking kiosks, and specialized sales forces.

Global Wealth Management

Global Wealth Management combines the wealth management and insurance operations in Canada and internationally. Global Wealth Management is diversified across multiple geographies, product lines and strong businesses.

Global Banking and Markets

Global Banking and Markets is the wholesale banking and capital markets arm of the Bank. It offers an extensive number of products to corporate, government and institutional investor clients. Global Banking and Markets is a full-service lender and investment dealer in Canada and Mexico and offers a wide range of products in the United States, Central and South America, and in select markets in Europe and the Asia Pacific region. Global Banking and Markets provides corporate lending, equity and debt underwriting, and mergers and acquisitions advisory services, as well as capital markets products and services, such as fixed income, derivatives, prime brokerage, securitization, foreign exchange, equity sales, trading and research, energy and agricultural commodities, and, through ScotiaMocatta, precious and base metals.

Competition

The Canadian banking system consists of five Canadian banks that are required by law to be widely held because their equity exceeds a threshold of \$12 billion. These five banks compete across the country with extensive branch networks, augmented by ABMs, telephone, internet and mobile banking facilities. In addition, the system includes 19 other domestic banks, 54 foreign banks and more than 780 credit unions and caisses populaires. In total, the Canadian financial services industry includes thousands of institutions such as life insurance companies, property and casualty insurers, consumer finance companies, independent investment dealers and independent retail mutual fund management companies.

The Bank provides a broad range of banking and other financial services to retail, commercial and corporate banking clients in Canada, the United States, Mexico, the Caribbean, Central America, South America and Asia either directly or through subsidiaries. In providing these services, the Bank competes with local and international banks and other financial institutions.

Competition is reflected in the range of products and services offered, innovation in features, services, technology and delivery and the different pricing adopted. Canada was ranked fourth in the world in terms of the variety of financial products and services offered, according to the 2012-13 survey by the World Economic Forum. Another good measure of the competition in the sector is the narrow margins in Canada. Canada has ranked among the countries with the lowest interest rate spreads in recent years. In addition, there are an increasingly large number of payment service providers in the Canadian market place offering alternative channels and competition in the payments space.

The number of new entrants into the financial services sector in recent years has also underscored the level of competition. A total of 17 new entrants, including seven banks and 10 foreign bank branches or subsidiaries, received charters from the federal bank regulator between 2007 and 2012.

New national competitors should also emerge as a result of the federal government's implementation of regulations for a new framework to allow credit unions to incorporate at the federal level. This will give those credit unions that choose to incorporate federally the flexibility they require to grow beyond their provincial borders and provide consumers greater financial choice.

Organizational Structure

The Bank's principal subsidiaries as at October 31, 2012 were:

As at October 31, 2012 (\$ millions)	Principal office	Carrying value of shares ⁽²⁾	
		2012	2011
Canadian			
BNS Investments Inc.	Toronto, Ontario	\$11,711	\$11,276
Montreal Trust Company of Canada	Montreal, Quebec		
Scotia Merchant Capital Corporation			
Dundee Bank of Canada	Toronto, Ontario	784	753
DundeeWealth Inc.	Toronto, Ontario	3,713	3,567
National Trustco Inc.	Toronto, Ontario	620	601
The Bank of Nova Scotia Trust Company	Toronto, Ontario		
National Trust Company	Stratford, Ontario		
RoyNat Inc.	Toronto, Ontario	34	18
Scotia Asset Management L.P.	Toronto, Ontario	318	322
Scotia Capital Inc.	Toronto, Ontario	994	853
Scotia Dealer Advantage Inc.	Burnaby, British Columbia	195	150
Scotia Insurance Agency Inc.	Toronto, Ontario	2	2
Scotia Life Insurance Company	Toronto, Ontario	110	110
Scotia Mortgage Corporation	Toronto, Ontario	496	490
Scotia Securities Inc.	Toronto, Ontario	54	55
International			
Banco Colpatría Multibanca Colpatría S.A. (51%)	Bogota, Colombia	1,122	-
The Bank of Nova Scotia Berhad	Kuala Lumpur, Malaysia	268	241
The Bank of Nova Scotia International Limited	Nassau, Bahamas	10,393	9,476
BNS (Colombia) Holdings Limited (99.9%)	Nassau, Bahamas		
Scotiabank Caribbean Treasury Limited	Nassau, Bahamas		
BNS International (Barbados) Limited	Warrens, Barbados		
Grupo BNS de Costa Rica, S.A.	San Jose, Costa Rica		
The Bank of Nova Scotia Asia Limited	Singapore		
The Bank of Nova Scotia Trust Company (Bahamas) Limited	Nassau, Bahamas		
Scotiabank & Trust (Cayman) Ltd.	Grand Cayman, Cayman Islands		
Scotia Insurance (Barbados) Limited	Warrens, Barbados		
Scotiabank (Bahamas) Limited	Nassau, Bahamas		
Scotiabank (Belize) Ltd.	Belize City, Belize		
Scotiabank (British Virgin Islands) Limited	Road Town, Tortola, B.V.I.		
Scotiabank (Hong Kong) Limited	Hong Kong, China		
Scotiabank (Ireland) Limited	Dublin, Ireland		
Scotiabank (Turks and Caicos) Ltd.	Providenciales, Turks and Caicos Islands		
Grupo Financiero Scotiabank Inverlat, S.A. de C.V. (97.3%)	Mexico, D.F., Mexico	2,317	2,179
Nova Scotia Inversiones Limitada	Santiago, Chile	2,349	2,182
Scotiabank Chile (99.5%)	Santiago, Chile		
Scotia Capital (Europe) Limited	London, England	64	79
Scotia Capital (USA) Inc. ⁽³⁾	New York, New York		
Howard Weil Incorporated ⁽³⁾	New Orleans, Louisiana		
Scotia Group Jamaica Limited (71.8%)	Kingston, Jamaica	493	496
The Bank of Nova Scotia Jamaica Limited	Kingston, Jamaica		
Scotia Investments Jamaica Limited (77.0%)	Kingston, Jamaica		
Scotia Holdings (US) Inc. ⁽⁴⁾	Houston, Texas		
The Bank of Nova Scotia Trust Company of New York	New York, New York		
Scotiabanc Inc.	Houston, Texas		
Scotia International Limited	Nassau, Bahamas	846	788
Scotiabank Anguilla Limited	The Valley, Anguilla		
Scotiabank Brasil S.A. Banco Multiplo	Sao Paulo, Brazil	179	155
Scotiabank de Puerto Rico	Hato Rey, Puerto Rico	853	771
Scotiabank El Salvador, S.A. (99.3%)	San Salvador, El Salvador	382	406
Scotiabank Europe plc	London, England	1,848	1,855
Scotiabank Peru S.A.A. (97.8%)	Lima, Peru	2,236	2,005
Scotiabank Trinidad and Tobago Limited (50.9%)	Port of Spain, Trinidad and Tobago	262	235

(1) The Bank (or immediate parent of an entity) owns 100% of the outstanding voting shares of each subsidiary unless otherwise noted. The listing includes major operating subsidiaries only.

(2) Comparative amounts have been reclassified to conform with current presentation.

(3) The carrying value of this subsidiary is included with that of its parent, Scotia Capital Inc.

(4) The carrying value of this subsidiary is included with that of its parent, BNS Investments Inc.

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

The Bank also engages in business in its own right. Its assets are therefore comprised of both shares in the above subsidiaries and assets and liabilities acquired in the conduct of its own business. It is part dependent on the members of the Scotiabank Group and the revenues recovered by them.

Trend Information

Since October 31, 2012, there has been no material adverse change in the prospects of the Bank and its subsidiaries, and since April 30, 2013 there has been no significant change in the financial or trading position of the Bank and its subsidiaries.

Directors and Board Committees of the Bank

The Directors of the Bank as of the date hereof are as follows:

<u>Name</u>	<u>Board Committee Memberships</u>	<u>Principal Occupation/ Outside Activities</u>
JOHN THOMAS MAYBERRY, C.M.	ERC CGPC ACRC HRC	Non-executive Chairman of The Bank of Nova Scotia and Corporate Director
RICHARD EARL WAUGH	N/A	Chief Executive Officer, The Bank of Nova Scotia
RONALD ALVIN BRENNEMAN	ERC HRC	Corporate Director and retired Executive Vice Chairman, Suncor Energy Inc.
CHOONG JOONG CHEN	CGPC	Counsel, Rajah & Tann LLP
DAVID ALLISON DODGE, O.C.	ERC	Senior Advisor, Bennett Jones LLP
NANCY ASHLEIGH EVERETT	CGPC – Chair ERC	President, Corporate Secretary and Director, Royal Canadian Securities Limited
JOHN CUSTANCE KERR, C.M., O.B.C., LL.D.	HRC – Chair ERC	Chairman, Lignum Investments Ltd., the Managing Partner of Lignum Forest Products LLP, and President of the Vancouver Professional Baseball LLP
THOMAS CHARLES O’NEILL	ACRC – Chair ERC	Corporate Director and retired Chair of the Board of PwC Consulting
BRIAN JOHNSTON PORTER	N/A	President, The Bank of Nova Scotia
AARON WILLIAM REGENT	ACRC CGPC	Founder and Managing Partner of Magris Resources Inc.
DR. INDIRA VASANTI SAMARASEKERA, O.C., PH.D.	HRC CGPC	President and Vice-Chancellor of the University of Alberta
SUSAN LOUISE SEGAL	ACRC CGPC	President and Chief Executive Officer of the Americas Society and Council of the Americas
PAUL DAVID SOBEY	ACRC CGPC	President and Chief Executive Officer, Empire Company Limited
BARBARA SUSAN THOMAS	ACRC HRC	Corporate Director

Notes:

ACRC – Audit and Conduct Review Committee
CGPC – Corporate Governance and Pension Committee
ERC – Executive and Risk Committee
HRC – Human Resource Committee

The business address of the Directors of the Bank is The Bank of Nova Scotia, Scotia Plaza, 44 King Street West, Toronto, Ontario M5H 1H1, which is the executive office of the Bank.

There are no potential conflicts of interest between any duties owed to the Bank by the Directors and the private interests and/or other external duties owed by these individuals.

On May 31, 2013, Chief Executive Officer Richard Earl Waugh announced his intention to retire as Chief Executive Officer effective November 1, 2013. The Board of Directors has appointed Brian Johnston Porter to the role of President and Chief Executive Officer effective November 1, 2013.

Major Shareholders

Without Minister of Finance of Canada (the “Minister”) approval, no person or group of associated persons may own more than 10% of any class of shares of the Bank. No person may be a major shareholder of a bank if the bank has equity of \$12 billion or more (which would include the Bank). A person is a major shareholder of a bank if: (a) the aggregate of shares of any class of voting shares beneficially owned by that person and that are beneficially owned by any entities controlled by that person is more than 20% of that class of voting shares; or (b) the aggregate of shares of any class of non-voting shares beneficially owned by that person and that are beneficially owned by any entities controlled by that person is more than 30% of that class of non-voting shares. Ownership of the Bank’s shares by Canadian or foreign governments is prohibited under the Bank Act. However, in 2009 certain amendments were made to the Bank Act that would permit the Canadian federal government to acquire shares of a bank, including the Bank, if the Minister and Governor in Council were to conclude that to do so was necessary to promote stability in the financial system. While the government holds any shares of a bank, including the Bank, the Minister may impose certain terms and conditions, including conditions on the payment by the Bank of dividends on any of its shares.

Selected Financial Information

Financial Summary

The financial data in the tables below has been extracted without material adjustment from the audited consolidated statement of financial position and statement of income of the Bank for the years ended October 31, 2012 and October 31, 2011 contained in the Bank’s 2012 Annual Report.

Condensed Consolidated Statement of Financial Position

<u>(Amounts in millions of Canadian dollars)</u>	As at October 31	
	2012	2011
Assets		
Cash, deposits with financial institutions and precious metals ¹	\$59,724	\$47,972
Trading assets	87,596	75,799
Securities purchased under resale agreements and securities borrowed ¹	66,189	47,181
Investment securities	33,361	30,176
Loans ¹	352,487	319,056
Other ¹	68,687	74,239
Total assets	<u>\$668,044</u>	<u>\$594,423</u>
Liabilities		
Deposits ¹	\$463,590	\$421,335
Obligations related to securities sold under repurchase agreements and other securities lent	56,968	38,216
Other liabilities	94,606	93,706
Subordinated debentures	10,143	6,923
Capital instruments	1,358	2,003

Total liabilities	<u>\$626,665</u>	<u>\$562,183</u>
Equity		
Common equity.....	\$35,252	\$26,356
Preferred shares.....	4,384	4,384
Non-controlling interests	1,743	1,500
Total equity	<u>\$41,379</u>	<u>\$32,240</u>
Total liabilities and equity.....	<u>\$668,044</u>	<u>\$594,423</u>

¹ Amounts have been restated to reflect current period presentation of deposits with financial institutions and cash collateral on securities borrowed and securities lent and derivative transactions.

Condensed Consolidated Statement of Income

(Amounts in millions of Canadian dollars)	For the Year ended October 31	
	2012	2011
Net interest income	\$10,003	\$9,014
Net fee and commission revenues.....	6,274	5,727
Other operating income	3,424	2,569
Total revenue	<u>19,701</u>	<u>17,310</u>
Provision for credit losses.....	1,252	1,076
Operating expenses	10,403	9,481
Income tax expense.....	1,580	1,423
Net income.....	<u>\$6,466</u>	<u>\$5,330</u>
Net income attributable to non-controlling interests.....	223	149
Non-controlling interests in subsidiaries.....	198	91
Capital instrument equity holders	25	58
Net income attributable to equity holders of the Bank	<u>\$6,243</u>	<u>\$5,181</u>
Preferred shareholders.....	220	216
Common shareholders.....	<u>\$6,023</u>	<u>\$4,965</u>

Material Contracts

The Bank has not entered into any contracts outside the ordinary course of the Bank's business which could materially affect the Bank's obligations in respect of any Notes to be issued by the Bank.

Auditors

KPMG LLP, Chartered Accountants, Bay Adelaide Centre, 333 Bay Street, Suite 4600, Toronto, Ontario M5H 2S5. KPMG LLP has been selected to serve as auditors for the Bank for the 2013 fiscal year. The consolidated financial statements of the Bank which comprise the consolidated statements of financial position as at October 31, 2012, October 31, 2011 and November 1, 2010 and the consolidated statements of income, changes in equity, comprehensive income and cash flows for each of the years in the two year period ended October 31, 2012, and management's assessment of the effectiveness of internal control over financial reporting as of October 31, 2012 have been incorporated by reference herein in reliance upon the reports of KPMG LLP.

KPMG LLP is independent with respect to the Bank within the meaning of the Rules of Professional Conduct/Code of Ethics of the Institute of Chartered Accountants of Ontario.

Legal and Arbitration Proceedings

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's and the Bank's subsidiaries (taken as a whole) financial position or profitability.

Ratings

Each of Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's Financial Services LLC ("S&P"), Fitch, Inc. ("Fitch") and DBRS Limited ("DBRS") has provided the following issuer ratings for the Bank:

	Moody's	S&P	Fitch	DBRS
Senior long-term debt/deposits	Aa2	A+	AA-	AA
Subordinated debt	A2	A-	A+	AA (low)
Short-term deposits/commercial paper	P-1	A-1	F1+	R-1 (high)
Non-cumulative preferred shares	A3	A/P-1 (low)*	Not rated	Pfd-1 (low)

*Canadian scale

None of S&P, Moody's, Fitch or DBRS (the "non-EU CRAs") is established in the European Union or has applied for registration under the CRA Regulation. The ratings have been endorsed by each of Standard and Poor's Credit Market Services Europe Ltd., Moody's Investors Service Ltd., DBRS Ratings Limited and Fitch Ratings Limited (the "EU CRAs"), as applicable, which are affiliates of S&P, Moody's, Fitch and DBRS, respectively, in accordance with the CRA Regulation. Each EU CRA is established in the European Union and registered under the CRA Regulation. As such each EU CRA is included in the list of credit rating agencies published by the European Securities and Markets Authority ("ESMA") on its website in accordance with the CRA Regulation. ESMA has indicated that ratings issued in Canada which have been endorsed by an EU CRA may be used in the EU by the relevant market participants.

SCOTIABANK EUROPE PLC

History and Development of Scotiabank Europe

Scotiabank Europe plc (“**Scotiabank Europe**”) was incorporated on August 28, 1964 under the name of The Bank of Nova Scotia Trust Company (United Kingdom) Limited and was registered as a public limited company under its present name on November 3, 1997. It is a wholly owned subsidiary of the Bank. Its principal activity is that of an authorized person under the FSMA with permission to accept deposits. It provides a broad range of banking services. Scotiabank Europe has no subsidiaries.

For the years ended October 31, 2012 and October 31, 2011, Scotiabank Europe’s net income was U.S.\$30.38 million and U.S.\$18.18 million, respectively (as stated in the 2012 financial statements). At October 31, 2012 and 2011, total assets of Scotiabank Europe as stated in the 2012 financial statements were U.S.\$18,416.76 million and U.S.\$15,351.72 million, respectively, and total equity was U.S.\$1,792.16 million and U.S.\$1,800.58 million, respectively.

Principal Activities and Markets

Scotiabank Europe markets and sells a range of banking products with its target market being large and mid-sized companies, as well as banks, investment banks, governments and supranational organisations together with asset managers. Scotiabank Europe generates revenue through the extension of credit to corporate clients, market-making and distribution of Government bonds, equity financing and base metals trading.

Recent Developments

Over the past year, Scotiabank Europe has continued its disciplined approach in support of its primary objective to create sustainable growth and ensure adequate returns are achieved on all business lines. Trading assets and loans and advances showed a positive trend at the end of the year, with a year over year increase of U.S.\$2,614.95 million and U.S.\$349.72 million, respectively, while reverse repurchase agreements and other similar secured lending showed a negative trend at the end of the year, with a year on year decrease of U.S.\$264.75 million. The loan portfolio continues to be balanced within established concentrations of geographic or industry specialization.

In addition, the various portfolios are carefully managed and diversified with regard to maturity and credit exposure to achieve this objective.

Trend Information

Since October 31, 2012, there has been no material adverse change in the prospects of, and no significant change in, the financial or trading position of Scotiabank Europe.

Directors of Scotiabank Europe

The Directors of Scotiabank Europe as of the date hereof are as follows:

<u>Name</u>	<u>Principal Occupation/Outside Activities</u>
RONALD NEIL BRANDMAN	Non-Executive Director
MARK ELLIOTT CAPLAN	Managing Director, Head of Europe
COLIN EDWARD LEAVER	Partner, Simmons & Simmons and Non-Executive Director
JANE MARY LLOYD	Chief Operating Officer
STEVEN MICHAEL LOWE	Managing Director, ScotiaMocatta
JANE ANNE NEGI	Managing Director & Head of Legal, Europe
ANNE MARIE O’DONOVAN	Executive Vice-President and Chief Administration Officer, Global Banking and Markets
ANDREW PAUL REVILL	Managing Director, Risk Management and Co-Head,

ROBERT JOHN WILD

Corporate Banking Europe
Non-Executive Director

The business address of the Directors of Scotiabank Europe is 201 Bishopsgate, London, United Kingdom, EC2M 3NS, which is the Registered Office of Scotiabank Europe, registered in England and Wales No. 00817692.

There are no potential conflicts of interest between any duties owed to Scotiabank Europe by the Directors and the private interests and/or other external duties owed by these individuals.

Selected Financial Information

Financial Summary

The financial data in the tables below has been extracted without material adjustment from the audited balance sheet and statement of income of Scotiabank Europe for the years ended October 31, 2012 and October 31, 2011 contained in Scotiabank Europe's annual audited financial statements.

Condensed Balance Sheet

	As at October 31	
(Amounts in thousands of U.S. Dollars)	2012	2011
Trading assets	U.S.\$5,265,374	U.S.\$2,650,426
Loans	4,007,854	3,658,131
Reverse repurchase agreements and other similar secured lending	7,978,447	8,243,195
Other assets	1,165,089	799,972
Total assets	U.S.\$18,416,764	U.S.\$15,351,724
Trading liabilities	3,437,260	3,639,244
Deposits	6,045,072	7,551,002
Repurchase agreements and other similar secured borrowing	6,899,420	2,222,700
Other liabilities	242,857	138,203
Equity	1,792,155	1,800,575
Total liabilities and equity	U.S.\$18,416,764	U.S.\$15,351,724

Condensed Statement of Income

	For the Year ended October 31	
(Amounts in thousands of U.S. Dollars)	2012	2011
Net interest income	U.S.\$102,511	U.S.\$93,260
Other income	26,803	37,097
Net interest and other income	129,314	130,357
Non-interest expenses	(87,646)	(88,967)
Tax expense	(8,773)	(10,416)
Net impairment loss on financial assets	(2,511)	(12,791)
Net Income	U.S.\$30,384	U.S.\$18,183

Material Contracts

Scotiabank Europe has not entered into any contracts outside the ordinary course of Scotiabank Europe's business which could materially affect Scotiabank Europe's obligations in respect of any Notes to be issued by Scotiabank Europe.

Auditors

KPMG Audit Plc, Chartered Accountants, 15 Canada Square, London E14 5GL audited the financial statements of Scotiabank Europe for the fiscal years 2012 and 2011, in accordance with International Standards on Auditing (UK&I). The annual audited financial statements of Scotiabank Europe for the years ended October 31, 2012 and October 31, 2011 were prepared in accordance with IFRS as adopted by the EU, and together with the auditors' report thereon have been incorporated by reference herein.

The auditors of Scotiabank Europe have no material interest in Scotiabank Europe.

The reports of the auditors in each of the last two years did not contain any qualifications.

Legal and Arbitration Proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Scotiabank Europe 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 Scotiabank Europe's financial position or profitability.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes (the “Conditions”) which, subject to completion in accordance with the provisions of the applicable Final Terms, will be applicable to the Notes and, subject further to simplification by deletion of non-applicable provisions, will be endorsed on Notes in definitive form (if any). Details of the relevant Issuer, the Guarantor (if applicable) and the relevant Series will be set out in Part A of the applicable Final Terms and, in the case of the issue of Notes in definitive form, the relevant portions will be endorsed on the definitive form of Note. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes which may be issued under the Programme. In addition, the Conditions applicable to Global Notes are modified or supplemented by additional provisions; see “Summary of Provisions Relating to the Notes while in Global Form” below. Capitalised terms not defined in the Conditions but which are defined in the applicable Final Terms will have the meanings given them in Part A of such Final Terms and “herein”, “hereof” or “hereon” when used in the Conditions shall include a reference to such Final Terms where appropriate.

This Note is one of a Series of notes (the “Notes”), which expression shall mean (i) in regard to any Notes represented by a Note in temporary global form or in permanent global form (each a “Global Note”) or a Note in registered form, units of the lowest Specified Denomination in the Currency specified hereon of the relevant Notes, (ii) any Note in definitive form issued in exchange for a Global Note, and (iii) any Global Note. The Notes are issued pursuant to an Amended and Restated Agency Agreement dated June 28, 2013 (as amended or supplemented from time to time, the “Agency Agreement”), between The Bank of Nova Scotia (the “Bank”) and Scotiabank Europe plc (“Scotiabank Europe”) as issuers (collectively the “Issuers” and each an “Issuer”), the Bank in its capacity as guarantor (“the Guarantor”) of Guaranteed Notes (as defined below), The Bank of Nova Scotia, London Branch as fiscal agent (the “Fiscal Agent”) and principal paying agent, transfer agent, calculation agent and registrar (the “Registrar”), The Bank of Nova Scotia, Global Wholesale Services as paying agent (together with the Fiscal Agent and any additional or other paying agents in respect of the Notes from time to time appointed, the “Paying Agents”) and transfer agent (together with the Fiscal Agent and any additional or other transfer agents in respect of the Notes from time to time appointed, the “Transfer Agents”), and with the benefit of Deeds of Covenant (each, as further amended or supplemented from time to time, the “Deed of Covenant”) dated June 28, 2013 executed by the Issuers, and, in the case of Guaranteed Notes, by the Guarantor. The initial Calculation Agent(s) (if any) is specified in the applicable Final Terms. The Noteholders (as defined below), the holders of the interest coupons (the “Coupons”) appertaining to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “Talons”) (the “Couponholders”) and the holders of the instalment receipts (the “Receipts”) appertaining to the payment of principal by instalments are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

As used herein, “Series” means all Notes which are denominated in the same currency, which have the same Maturity Date and the same Interest Basis and Redemption/Payment Basis, if any, all as indicated in the applicable Final Terms, and the terms of which, save for the Issue Date, the Interest Commencement Date and/or the Issue Price (as indicated as aforesaid) are otherwise identical (including whether or not the Notes are listed). As used herein, “Tranche” means all Notes of the same Series with the same Issue Date and Interest Commencement Date. The Final Terms applicable to a Tranche of Notes are set out in Part A of the Final Terms attached to or endorsed on the Note which complete these Terms and Conditions (the “Conditions”). References to “the applicable Final Terms” are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on the Notes.

Copies of the Agency Agreement and the Deeds of Covenant are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents. Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. Form, Denomination and Title

The Notes are issued in the form specified in the applicable Final Terms. Notes issued in bearer form are referred to herein as “Bearer Notes”, which expression includes Notes which are specified to be Exchangeable Bearer Notes. Notes issued in registered form are referred to herein as “Registered Notes”. Notes issued in bearer form exchangeable for Registered Notes are referred to herein as “Exchangeable Bearer Notes”. Bearer Notes in definitive form will be serially numbered, in the Specified Currency and in the Specified Denomination(s). Notes will be in such denominations as may be specified in the applicable Final Terms, save that the minimum denomination of each Note shall in each case comply with all applicable legal, regulatory and central bank requirements.

So long as the Bearer Notes are represented by a temporary Global Note or permanent Global Note and the relevant clearing system(s) so permit, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) provided in the applicable Final Terms and, if so provided in the applicable Final Terms, higher integral multiples of at least 1,000 in the relevant currency (the “Integral Amount”), notwithstanding that no definitive Notes will be issued with a denomination above the Definitive Amount in such currency. For purposes of these conditions, the “Definitive Amount” shall be equal to two times the lowest Specified Denomination minus the Integral Amount.

Bearer Notes shall be issued in the new global note form if so specified in the applicable Final Terms.

The Notes may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, or a combination of any of the foregoing, in each case depending on the Interest Basis specified in the applicable Final Terms.

Notes may be redeemable in full at maturity or Notes may be Instalment Notes, depending on the Redemption/Payment basis specified in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons (and, where appropriate, a Talon for further Coupons) attached, save in the case of Notes which do not bear interest in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. The expression “Coupons” shall, where the context so requires, include Talons. Any Bearer Note the principal amount of which is redeemable in instalments is issued with one or more Receipts attached.

Title to Bearer Notes, Receipts or Coupons shall pass by delivery. The holder of each Coupon, whether or not such Coupon is attached to a Bearer Note, in his capacity as such, shall be subject to and bound by all the provisions contained in the relevant Bearer Note. The holder of any Bearer Note, the holder of any Receipt (a “Receiptholder”) and any Couponholder may, to the fullest extent permitted by applicable laws be treated at all times, by all persons and for all purposes as the absolute owner of such Note, Receipt or Coupon, as the case may be, regardless of any notice of ownership, theft or loss or of any writing thereon.

Registered Notes are represented by certificates (“Certificates”), each Certificate representing one or more Notes registered in the name of the recorded holder of such Certificate. Certificates for Registered Notes shall be issued in the lowest Specified Denomination or an integral multiple thereof.

Title to the Registered Notes shall pass by registration in the register which the relevant Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement. Except as ordered by a court of competent jurisdiction or as required by law, the registered holder of any Registered Note, Receipt or Coupon shall be deemed to be and may be treated as the absolute owner of such Registered Note, Receipt or Coupon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Registered Note, Receipt or Coupon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone.

Each Note issued by Scotiabank Europe will be issued with the benefit of an unconditional and irrevocable guarantee (the “Guarantee”) of the Guarantor under which the Guarantor will unconditionally and irrevocably guarantee the payment of all amounts payable on or in respect of such Notes (“Guaranteed Notes”).

In these Conditions, “Noteholder” means the bearer of any Bearer Note in definitive form and the Coupons, Talons and Receipts relating to it, the person in whose name a Registered Note in definitive form is registered and unless otherwise specifically provided herein, in the case of a Global Note or a Global Certificate, a person that beneficially owns one or more Notes represented thereby. In addition, “holder” (in relation to a Note, Receipt or Coupon) has the corresponding meaning and capitalised terms have the meanings given to them herein; the absence of any such meaning indicating that such term is not applicable to the Notes.

2. Exchange of Exchangeable Bearer Notes and Transfers of Registered Notes

(a) *Exchange of Exchangeable Bearer Notes:*

Subject as provided in Condition 2(e), Exchangeable Bearer Notes may be exchanged for the same aggregate principal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts and Coupons relating to it, at the specified office of the Registrar or any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 6(b)) for any payment of interest or Instalment Amount, the Coupon in respect of that payment of interest or Receipt in respect of that Instalment Amount need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one denomination may not be exchanged for Bearer Notes of another denomination. Bearer Notes which are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

(b) *Transfer of Registered Notes:*

Subject as provided in Condition 2(e), one or more Registered Notes may be transferred upon the surrender of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate duly completed and executed, at the specified office of the Registrar or any Transfer Agent. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate in respect of the balance not transferred will be issued to the transferor.

(c) *Delivery of new Certificates:*

Each new Certificate to be issued upon exchange of Exchangeable Bearer Notes or transfer of Registered Notes will, within three business days (being a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Transfer Agent or the Registrar to whom such request for exchange or form of transfer shall have been delivered, as the case may be) of receipt of such request for exchange or form of transfer, be available for delivery at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom such delivery shall have been made or, at the option of the holder making such delivery as aforesaid and as specified in the relevant request for exchange or form of transfer, be mailed at the risk of the holder entitled to the new Certificate to such address as may be specified in such request for exchange or form of transfer.

(d) *Exchange free of charge:*

Exchange of Notes on registration or transfer will be effected without charge by or on behalf of the Issuer thereof, the Registrar or the Transfer Agents, but on payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require in respect thereof) of any tax or other governmental charges which may be imposed in relation to it.

(e) ***Closed periods:***

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for a Registered Note (i) during the period of 15 days ending on the due date for redemption of that Note, (ii) during the period of 15 days prior to any date on which Notes may be redeemed by the Issuer thereof at its option pursuant to Condition 5(e) or (iii) after any such Note has been drawn for redemption in whole or in part. An Exchangeable Bearer Note called for redemption may, however, be exchanged for a Registered Note in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

3. Status

(a) ***Status of Deposit Notes:***

The Deposit Notes (being those Notes which specify their status as Deposit Notes in the applicable Final Terms) will constitute deposit liabilities of the Bank and, together with the Receipts and Coupons relating to them, will rank *pari passu* with all present or future deposit liabilities of the Bank (except as otherwise prescribed by law) and without any preference amongst themselves. Deposit Notes issued by a branch of the Bank outside of Canada will be paid without the necessity of being presented for payment at such branch.

(b) ***Status of Subordinated Notes:***

The Subordinated Notes (being those Notes which specify their status as Subordinated Notes in the applicable Final Terms) and the Coupons relating to them will, in the event of the insolvency or winding-up of the Bank, be subordinate in right of payment to all deposit liabilities of the Bank and all other liabilities of the Bank except those that, by their terms, rank equally with or are subordinate to the Subordinated Notes. The Subordinated Notes constitute direct, unconditional and unsecured obligations of the Bank and rank *pari passu* and rateably without any preference amongst themselves and in priority to the claims of shareholders of the Bank.

(c) ***Status of Guaranteed Notes:***

Guaranteed Notes issued by Scotiabank Europe will be unsecured and unsubordinated debt obligations of Scotiabank Europe and will rank *pari passu* with all other present or future unsecured and unsubordinated debt obligations of Scotiabank Europe (except as otherwise prescribed by law). Payment of all amounts, including additional amounts, if any, payable on Notes issued by Scotiabank Europe will be unconditionally and irrevocably guaranteed by the Guarantor in the manner set forth in the Guarantee attached to such Guaranteed Notes. The obligations of the Guarantor under the Guarantees will rank *pari passu* with all present or future deposit liabilities of the Guarantor (except as otherwise prescribed by law) and without any preference amongst themselves.

4. Interest and Other Calculations

Notes may be interest bearing or non-interest bearing as specified in the applicable Final Terms.

(a) ***Interest on Fixed Rate Notes:***

Each Fixed Rate Note bears interest on its outstanding Principal Amount from and including the Interest Commencement Date at the rate(s) per annum (expressed as a percentage) equal to the Interest Rate, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be calculated in accordance with Condition 4(f).

The amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on, but excluding such date, will amount to the Fixed Coupon Amount. Payment of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

(b) ***Business Day Convention:***

If any date referred to in these Conditions which is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Relevant Business Day, then, if the Business Day Convention specified is (i) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a Relevant Business Day unless it would thereby fall into the next calendar month, in which event (A) such date shall be brought forward to the immediately preceding Relevant Business Day and (B) each subsequent such date shall be the last Relevant Business Day of the month in which such date would have fallen had it not been subject to adjustment, (ii) the Following Business Day Convention, such date shall be postponed to the next day which is a Relevant Business Day, (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Relevant Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Relevant Business Day or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Relevant Business Day.

(c) ***Interest Rate on Floating Rate Notes:***

Each Floating Rate Note bears interest on its outstanding Principal Amount from and including the Interest Commencement Date, such interest being payable in arrear on the Interest Payment Date(s).

Such interest will be payable in respect of each Interest Period. The amount of interest payable shall be determined in accordance with Condition 4(f).

The Interest Rate for each Interest Accrual Period or Interest Period will be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period or Interest Period in the manner specified in the applicable Final Terms:

(i) **Screen Rate Determination for Floating Rate Notes**

If the Primary Source for the Floating Rate Notes is Screen Rate, the Interest Rate for each Interest Period will be:

- (x) the Relevant Rate (where such Relevant Rate on the Relevant Screen Page is a composite quotation or is customarily supplied by one entity); or
- (y) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on the Relevant Screen Page,

in each case appearing on such Page at the Relevant Time on the Interest Determination Date;

(ii) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (i)(x) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (i)(y) above applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Interest Rate shall be the arithmetic mean of the Relevant Rates which each of the Reference Banks is quoting to major banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent;

(iii) if paragraph (ii) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Interest Rate shall be the arithmetic mean of the rates per annum (expressed as a percentage) which the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Relevant Currency which at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country

of the Relevant Currency or, if the Relevant Currency is euro in the principal financial centre of those member states that are participating in the European economic and monetary union whose lawful currency is the euro (the “Eurozone”) as selected by the Calculation Agent (either of such centres to be referred to herein as the “Principal Financial Centre”) are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration to leading banks carrying on business in Europe, or, if the Calculation Agent determines that fewer than two of such banks are so quoting, in the Principal Financial Centre, except that, if fewer than two of the banks in the Principal Financial Centre so selected by the Calculation Agent are quoting as aforesaid, the Interest Rate shall be the Interest Rate determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Interest Rate applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

(d) ***Interest Rate on Zero Coupon Notes:***

Where a Note, the Interest Rate of which is specified to be Zero Coupon, is repayable prior to the Maturity Date and is not paid when due and payable, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Interest Rate for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield.

(e) ***Margin, Maximum/Minimum Interest Rates, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding:***

(i) If any Margin or Rate Multiplier is specified in the applicable Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods or Interest Periods), an adjustment shall be made to all Interest Rates, in the case of (x), or the Interest Rates for the specified Interest Accrual Periods or Interest Periods, in the case of (y), calculated in accordance with (c) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph.

(ii) If any Maximum Interest Rate or Minimum Interest Rate, Instalment Amount or Redemption Amount is specified in the applicable Final Terms, then any Interest Rate, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(f) ***Calculations:***

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Period or Interest Accrual Period or such other period shall be equal to the product of the Interest Rate (adjusted as required by Condition 4(e)), the Calculation Amount specified in the applicable Final Terms and the Day Count Fraction for such Interest Period or Interest Accrual Period or such other period, unless an Interest Amount (or a formula for its calculation) is specified in respect of such Interest Period or Interest Accrual Period or other period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such period will equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, as specified in the applicable Final Terms, the amount of interest payable per Calculation Amount in respect of such Interest Period will be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with halves being rounded up), (y) all figures will be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts which fall due and payable will be rounded to the nearest sub-unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen.

For these purposes “sub-unit” means with respect to any currency other than the euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means 0.01 euro.

(g) ***Determination and Publication of Interest Rates, Interest Amounts, Redemption Amounts and Instalment Amounts:***

The Calculation Agent shall, as soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any Interest Rate, Interest Amount, Redemption Amount or Instalment Amount, obtain any quote or make any determination or calculation, it will determine the Interest Rate and calculate the Interest Amount in respect of each Calculation Amount of the Notes for the relevant Interest Accrual Period or Interest Period, calculate the Redemption Amount or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amounts for each Interest Period or Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the relevant Issuer, the Guarantor (if applicable), each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes which is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange or other relevant authority and such exchange or other relevant authority so requires, such exchange or other relevant authority as soon as practicable after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of an Interest Rate and Interest Amount, or (ii) in all other cases, the fourth Relevant Business Day after such determination. The Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Interest Rate payable in respect of the Notes shall nevertheless continue to be calculated in accordance with this Condition but no publication of the Interest Rate or the Interest Amount so calculated need be made. The determination of each Interest Rate, Interest Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(h) ***Interest Accrual:***

Interest will cease to accrue on each such Note (or in the case of partial redemption of a Note, that part only of such Note) on the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) five days after the date on which full payment of the moneys payable in respect of such Note has been received by the Fiscal Agent.

(i) ***Definitions:***

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Benchmark” means the benchmark specified in the Final Terms.

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time not comprising a complete year (whether or not constituting an Interest Period or Interest Accrual Period, the “Calculation Period”):

(i) If “Actual/365” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365;

(iii) if “Actual/Actual — ICMA” is specified in the applicable Final Terms;

(A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “Accrual Period”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year.

“Determination Period” means the period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

(iv) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 360;

(v) if “Actual/365 Sterling” is specified in the Final Terms, the actual number of days in the Calculation Period divided by 365, or in the case of an Interest Payment Date falling in a leap year, 366;

(vi) if “30/360” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30; and

(vii) if “30E/360” or “Eurobond Basis” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30.

“Effective Date” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the applicable Final Terms or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

“Interest Accrual Period” means the period beginning on, and including, the Interest Commencement Date and ending on, but excluding, the first Interest Period Date and each successive period beginning on, and including, an Interest Period Date and ending on, but excluding, the next succeeding Interest Period Date.

“Interest Amount” means the amount of interest payable per Calculation Amount calculated in accordance with Condition 4(f) or as specified in the applicable Final Terms and in the case of Fixed Rate

Notes, if so specified in the applicable Final Terms, shall mean the Fixed Coupon Amount(s) or Broken Amount(s).

“Interest Commencement Date” means the date of issue of the Notes (the “Issue Date”) or such other date as may be specified in the applicable Final Terms.

“Interest Determination Date” means, with respect to an Interest Rate and Interest Period or Interest Accrual Period, the date specified as such in the applicable Final Terms or, if none is so specified, (i) the first day of such Interest Period or Interest Accrual Period if the Relevant Currency is Sterling or (ii) the day falling two Relevant Business Days in London prior to the first day of such Interest Period or Interest Accrual Period if the Relevant Currency is neither Sterling nor euro or (iii) the day falling two TARGET Settlement Days prior to the first day of such Interest Period or Interest Accrual Period if the Relevant Currency is the euro.

“Interest Payment Date” means either the Interest Payment Dates specified in the applicable Final Terms or, if no Interest Payment Dates are specified in the applicable Final Terms, each date which falls the number of months or other period specified in the applicable Final Terms as the Interest Period after the preceding Interest Payment Date, or in the case of the first Interest Payment Date, after the Interest Commencement Date, subject to adjustment in accordance with the applicable Business Day Convention.

“Interest Period” means the period beginning on, and including, the Interest Commencement Date and ending on, but excluding, the first Interest Payment Date and each successive period beginning on, and including, an Interest Payment Date and ending on, but excluding, the next succeeding Interest Payment Date.

“Interest Period Date” means each Interest Payment Date unless otherwise specified in the applicable Final Terms.

“Interest Rate” means the rate of interest payable from time to time in respect of the Notes of a Series and which is either specified in or calculated in accordance with the provisions of the applicable Final Terms and in accordance with these Conditions.

“Redemption Amount” means the Final Redemption Amount, the Optional Redemption Amount or the Early Redemption Amount, as the case may be, specified in the applicable Final Terms.

“Reference Banks” means four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money market) which is most closely connected with the Benchmark.

“Relevant Business Day” means:

- (i) in the case of a Specified Currency other than euro, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre for that currency and/or each Business Centre (if any) specified in the applicable Final Terms; and/or
- (ii) in the case of euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Business Centre (if any) specified in the applicable Final Terms.

“Relevant Currency” means the Currency specified in the applicable Final Terms or, if none is specified, the currency in which the Notes are denominated.

“Relevant Financial Centre” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the financial centre as may be specified as such in the applicable Final Terms or, if none is so specified, the financial centre with which the relevant Benchmark is most closely

connected (which in the case of the Euro Inter-bank Offered Rate (“EURIBOR”) shall be the Eurozone) or, if none is so connected, London.

“Relevant Rate” means the Benchmark for a Representative Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

“Relevant Screen Page” means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Reuters Money 3000 Service (“Reuters”) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

“Relevant Time” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre and, where the Primary Source for the Floating Rate is a Relevant Screen Page, the time as of which the Relevant Rate(s) appearing on such Relevant Screen Page is or are set and posted on such Relevant Screen Page and for this purpose “local time” means, with respect to Europe and the Eurozone as a Relevant Financial Centre, Central European Time.

“Representative Amount” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the amount specified in the applicable Final Terms or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

“Specified Duration” means, with respect to any Floating Rate to be determined on an Interest Determination Date, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 4(b).

“TARGET2” means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on November 19, 2007 or any successor thereto.

“TARGET Settlement Day” means any day on which TARGET2 is open for the settlement of payments in euro.

(j) ***Calculation Agent and Reference Banks:***

The relevant Issuer will procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the Conditions applicable to the Notes and for so long as any Notes are outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the relevant Issuer will appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for any Interest Period or Interest Accrual Period or to calculate the Interest Amounts or any other requirements, the relevant Issuer will appoint the London office of a leading bank engaged in the interbank market that is most closely connected with the calculation or determination to be made by the Calculation Agent to act as calculation agent in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

5. Redemption, Purchase and Optional Redemption

(a) ***Final Redemption:***

Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to the relevant Issuer's or Noteholder's option in accordance with Condition 5(e) or (f), each Note will be redeemed at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

(b) ***Redemption for taxation reasons:***

The Notes may be redeemed at the option of the Issuer thereof in whole, but not in part, (except in the case of Subordinated Notes, which may only be so redeemed with the consent thereto having been obtained from the Superintendent of Financial Institutions (Canada)) on any Interest Payment Date (if the Note is a Floating Rate Note) or, if so specified herein, at any time (if the Note is not a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount, (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer thereof has or would become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of Canada or any province or territory thereof or, in the case of Notes issued by Scotiabank Europe or a branch of the Bank outside Canada, of the country in which Scotiabank Europe or such branch is located or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, or any announced prospective change to the *Income Tax Act* (Canada) or the regulations thereunder or in the application or official interpretation thereof that, if enacted in the form proposed, would apply retroactively to and from a date prior to the date of its enactment (an "Announced Prospective Change") which change (including any Announced Prospective Change) or amendment becomes (or in the case of an Announced Prospective Change, would become) effective on or after the Issue Date, and (ii) such obligation cannot be avoided by the relevant Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which such Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the relevant Issuer or the Guarantor (if applicable) shall deliver to the Fiscal Agent a certificate signed by two senior officers of such Issuer or the Guarantor (as the case may be) stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of such Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that such Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

(c) ***Purchases:***

The Issuer and any of its subsidiaries, if applicable, (with the consent of the Superintendent of Financial Institutions (Canada) in the case of Subordinated Notes) and the Guarantor (with respect to Guaranteed Notes) may at any time purchase Notes issued by such Issuer (provided that all unmaturing Receipts (if any) and Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith) in the open market or otherwise at any price.

(d) ***Early Redemption of Zero Coupon Notes:***

(i) The Early Redemption Amount payable in respect of any Zero Coupon Note prior to the Maturity Date, upon redemption of such Note pursuant to Condition 5(b) or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Note.

(ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Zero Coupon Note shall be the scheduled Early Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is specified in the applicable Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually. Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the applicable Final Terms.

(iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(b) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the reference therein to the Maturity Date were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment), until the Relevant Date unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Early Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 4(d).

(e) ***Redemption at the Option of the Relevant Issuer and Exercise of Issuer's Options:***

If the Issuer's Option is specified as applicable in the applicable Final Terms, the relevant Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Option Period, redeem or exercise any Issuer's Option in relation to, all or, if so provided in the applicable Final Terms, some of the Notes in the principal amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's Option shall be exercised by the relevant Issuer, on the date specified in such notice in accordance with this Condition.

If so provided in the applicable Final Terms, the Issuer shall redeem a specified number of the Notes on the date or dates so provided. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption which may, if so specified in the applicable Final Terms, be payable in instalments or otherwise. Notice of such redemption shall be irrevocably given to the Noteholders in accordance with Condition 13.

In the case of a partial redemption or a partial exercise of an Issuer's Option, the notice to Noteholders shall also contain the serial numbers of the Notes to be redeemed, which shall have been drawn in such place as the Fiscal Agent may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and the requirements of any relevant stock exchange or other relevant authority.

(f) ***Redemption at the Option of Noteholders and Exercise of Noteholders' Options:***

If the Noteholders' Option is specified as applicable in the applicable Final Terms, the Issuer shall, at the option of the holder of any such Note, redeem such Note on the date or dates so provided at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option, the holder must deposit such Note with any Paying Agent (in the case of Bearer Notes) or the Certificate representing such Note(s) with the Registrar or any Transfer Agent (in the case of Registered Notes) at its specified office, together with a duly completed option exercise notice ("Exercise Notice") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' Option Period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(g) ***Redemption by Instalments:***

Unless previously redeemed, purchased and cancelled as provided in this Condition 5 or the relevant Instalment Date (being one of the dates so specified in the applicable Final Terms) is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 5(e) or (f), each Note which provides for Instalment Dates and Instalment Amounts will be partially redeemed on each Instalment Date

at the Instalment Amount specified on it, whereupon the outstanding principal amount of such Note shall be reduced by the Instalment Amount for all purposes.

(h) ***Cancellation:***

All Notes purchased by or on behalf of the Issuer thereof or any of its subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, will, together with all Notes redeemed by such Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor (if applicable) in respect of any such Notes shall be discharged.

6. Payments and Talons

(a) ***Bearer Notes:***

Payments of principal and interest in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the holder, by credit or transfer to an account denominated in that currency with, a bank in the principal financial centre of that currency, provided that (i) in the case of euro, payments will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) or by a euro cheque; (ii) in the case of Japanese yen, the credit or transfer will be made to a non-resident Japanese yen account with an authorised foreign exchange bank (in the case of payment to a non-resident of Japan); and (iii) in the case of U.S. dollars, payments will be made by credit or transfer to a U.S. dollar account maintained by the payee outside the United States.

The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Note to which they relate will not represent any obligation of the relevant Issuer. Accordingly, the presentation of a Note without the relevant Receipt or the presentation of a Receipt without the Note to which it appertains shall not entitle the holder to any payment in respect of the relevant Instalment Amount.

(b) ***Registered Notes:***

(i) Payments of principal (which for the purposes of this Condition 6(b) shall include final Instalment Amounts but not other Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts or Optional Redemption Amounts) in respect of Registered Notes will be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.

(ii) Interest (which for the purpose of this Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) in relation to (i) Registered Notes in global form, will be paid to the person shown on the Register at the close of business before the due date for payment thereof or (ii) in relation to Registered Notes in definitive form will be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "Record Date"). Payments of interest on each Registered Note will be made in the currency in which such payments are due by cheque drawn on a bank in the principal financial centre of the country of the currency concerned and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register maintained by the Registrar. Upon application by the holder to the specified office of the

Registrar or any Transfer Agent before the Record Date and subject as provided in paragraph (a) above, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial centre of the country of that currency.

(c) ***Payments in the United States:***

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the relevant Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts, and (iii) such payment is then permitted by United States law, without involving, in the opinion of the relevant Issuer, any adverse tax consequence to such Issuer.

(d) ***Payments Subject to Fiscal and Other Laws:***

Payments will be subject in all cases, but without prejudice to the provisions of Condition 7, to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or (without prejudice to the provisions of Condition 7) law implementing an intergovernmental approach thereto. Any such amounts withheld or deducted as required pursuant to an agreement described in the Code will be treated as paid for all purposes under the Notes, and no additional amounts will be paid on the Notes with respect to any such withholding or deduction.

(e) ***Appointment of Agents:***

The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuers and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuers and do not assume any obligation or relationship of agency or trust for or with any holder. The Issuers reserve the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar or any Transfer Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuers will at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a Calculation Agent where the Conditions so require one, (v) a Paying Agent having a specified office in a European city which, so long as the Notes are listed on the Official List and admitted to trading on the London Stock Exchange plc's Regulated Market, shall be London, (vi) a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive, provided that there is a European Union Member State in which no such obligation is imposed, and (vii) such other agents as may be required by any other stock exchange or other relevant authority on which the Notes may be listed or as may be agreed between the relevant Issuer and the relevant Dealer.

In addition, the relevant Issuer shall forthwith appoint a Paying Agent in New York in respect of any Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 13.

(f) ***Unmatured Coupons and Receipts and unexchanged Talons:***

(i) Unless the applicable Final Terms provide that the unmatured Coupons are to become void upon the due date for redemption of those Notes, Bearer Notes should be surrendered for payment together with all unmatured Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of two years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

(ii) If the applicable Final Terms so provides, upon the due date for redemption of any Bearer Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Bearer Note which is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Bearer Note which provides that the unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provisions of such indemnity as the Issuer may require.

(vi) If the due date for redemption of any Note is not an Interest Payment Date, interest accrued from the preceding Interest Payment Date or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note which only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) ***Talons:***

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet), but excluding any Coupons which may have become void pursuant to Condition 8.

(h) ***Non-Business Days:***

Unless otherwise specified in the applicable Final Terms, if any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “business day” means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation (if presentation is required), in each other place (if any) specified in the applicable Final Terms as a Financial Centre and:

(i) in the case of a payment in a currency other than euro, where payment is to be made by transfer to an account maintained with a bank in such currency, a day on which foreign

exchange transactions may be carried on in such currency in the principal financial centre of the country of such currency; or

(ii) in the case of a payment in euro, a day which is a TARGET Settlement Day.

(i) ***Definition of Affiliate:***

“Affiliate” means, in relation to any entity (the “First Entity”), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes “control” means ownership of a majority of the voting power of an entity.

(j) ***Redenomination:***

As may be indicated in the applicable Final Terms, the Issuer may, but shall not be obligated to, with respect to Notes originally denominated in the national currency of a Member State of the European Union (“EU”) that adopts the single Currency in accordance with the Treaty establishing the European Community, as amended (the “Treaty”), without the consent of the holders of the Notes, Certificates, Receipts, Coupons or Talons by giving at least 30 days’ notice in accordance with Condition 13, redenominate all, but not some only, of the Notes into euro with effect from any Interest Payment Date or, in the case of Zero Coupon Notes, any date (the “Redenomination Date”) falling on or after the date on which such Member State of the EU has adopted the euro.

With effect from the Redenomination Date, notwithstanding the other provisions of the Conditions:

(A) such Notes shall be deemed to be redenominated in euro with a principal amount for each Note equal to the principal amount of that Note in the currency of the participating Member State, converted into euro to the nearest euro 0.01 at the rate for conversion of the national currency of the participating Member State into euro established by the Council of the EU pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Community regulations) provided that, if the Issuer determines, with the agreement of the Fiscal Agent, that the then market practice in respect of the redenomination into euro 0.01 of internationally offered securities is different from the provision specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange or other relevant authority (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;

(B) if definitive Notes are required to be issued, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 or such other denominations as the Fiscal Agent shall determine and notify to the Noteholders (the smallest such denomination being hereinafter referred to as the “Minimum Euro Denomination”);

(C) if definitive Notes have been issued, all unmatured Coupons denominated in the national currency of the participating Member State (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives the notice (the “Exchange Notice”) that replacement euro-denominated Notes and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes so issued will also become void on that date although those Notes will continue to constitute valid exchange obligations of the Issuer. New certificates in respect of euro-denominated Notes and Coupons will be issued in exchange for Notes and Coupons denominated in the national currency of the participating Member State in such manner as the Fiscal Agent may specify and as shall be notified to Noteholders in the Exchange Notice;

(D) any balance remaining from the redenomination that is less than the Minimum Euro Denomination and greater than or equal to euro 0.01 shall be paid by way of cash adjustment rounded to the nearest euro 0.01 (with euro 0.005 being rounded upwards). Such cash adjustment will be payable in euro on the Redenomination Date in the manner notified to the Noteholders by the Issuer;

(E) all payments in respect of such Notes (other than, unless the Redenomination Date is on or after such date as the national currency of the participating Member State ceases to be a sub-division of the euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in euro;

(F) Notes, Certificates, Receipts, Coupons or Talons may only be presented for payment on a day on which commercial banks and foreign exchange markets are open for general business in the place of presentation and which is a TARGET Settlement Day;

(G) the amount of interest in respect of such Notes will be calculated by reference to the aggregate principal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;

(H) if interest is required to be calculated for a period of less than 1 year, the Day Count Fraction will be "Actual/Actual"; provided, however, in relation to floating rate notes denominated in euro the Day Count Fraction will be "Actual/360"; and

(I) upon any such redenomination of the Notes, any reference in these Conditions and the applicable Final Terms to the relevant national currency shall, where the context so admits, be construed as a reference to euro.

7. Taxation

All payments of principal and interest in respect of the Notes, the Receipts and the Coupons by the Issuer thereof and by the Guarantor (in respect of the Guaranteed Notes), if the Guarantor is required to make payments under the Guarantee, will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of (i) Canada, any province or territory or political subdivision thereof or any authority therein or thereof having power to tax, or (ii) in the case of Notes issued by Scotiabank Europe, the United Kingdom or any political subdivision thereof or any authority or agency therein or thereof having power to tax, or (iii) in the case of Notes issued by a branch of the Bank located outside Canada, the country in which such branch is located or any subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law or the administration thereof. In that event, the relevant Issuer or the Guarantor, as the case may be, will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders and the Couponholders after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Notes, Receipts or (as the case may be) Coupons, in the absence of such withholding or deduction; except that no additional amounts shall be payable with respect to any payment in respect of any Note, Receipt or Coupon:

(1) to, or to a third party on behalf of, a holder who is liable or subject to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon for any reason other than the mere holding, use or ownership or deemed holding, use or ownership of such Note, Receipt or Coupon as a non-resident or deemed non-resident of the jurisdiction imposing such tax, duty, assessment or governmental charge or who would not be liable or subject to such withholding or deduction by making a declaration of non-residence or other similar claim for exemption (including an application for relief under any applicable double tax treaty) to the relevant tax authority; or

(2) where payments are made by the Bank as Issuer or as Guarantor, to, or to a third party on behalf of, a holder in respect of whom such tax, duty, assessment or governmental charge is required to be withheld or deducted by reason of the holder being a person with whom the Bank is not dealing at arm's length (within the meaning of the *Income Tax Act* (Canada)); or

(3) on account of any such taxes, duties, assessments or governmental charges required to be withheld or deducted by any paying agent, collecting agent or other intermediary from a payment on a Note, Receipt or Coupon if such payment can be made without such deduction or withholding by another paying agent, collecting agent or other intermediary; or

(4) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(5) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union; or

(6) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on the thirtieth such day, assuming that day to have been a Payment Date.

As used in these Conditions, "Relevant Date" in respect of any Note, Receipt or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Noteholders in accordance with Condition 13 that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

References in these Conditions to "principal" shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 7;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (f) in relation to Zero Coupon Notes, the Amortised Face Amount; and
- (g) any premium and any other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it which may be payable by the Issuer or the Guarantor, as the case may be, under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under this Condition 7.

8. Prescription

Claims against the relevant Issuer and, in the case of Guaranteed Notes, the Guarantor for payment in respect of the Notes, Receipts and Coupons (which, for this purpose shall not include Talons)

shall be prescribed and become void unless made within two years from the appropriate Relevant Date in respect thereof.

9. Events of Default

If any of the following events (“Events of Default”) occurs and is continuing, the holder of any Note may give written notice to the Fiscal Agent at its specified office that such Note is immediately repayable, whereupon the Redemption Amount of such Note together with accrued interest to the date of payment shall become immediately due and payable:

- (a) if default is made for more than 30 days (in the case of interest) or five days (in the case of principal) in the payment on the due date of interest or principal in respect of any such Notes; or
- (b) if the relevant Issuer or the Guarantor (if applicable) shall become insolvent or bankrupt, or if a liquidator, receiver or receiver and manager of the relevant Issuer or the Guarantor (if applicable) or any other officer having similar powers shall be appointed;

provided, however, that in the case of a Subordinated Note, notwithstanding any provision hereof to the contrary, the principal amount of such Subordinated Note, will not be paid and may not be required to be paid at any time prior to the relevant maturity date except in the event of the insolvency or winding-up of the Bank.

10. Meeting of Noteholders and Modifications

(a) *Meetings of Noteholders:*

The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes (including these Conditions insofar as the same may apply to such Notes). An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not and on all relevant Couponholders, except that without the consent and affirmative vote of each holder of Notes no Extraordinary Resolution may: (i) amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest thereon, (ii) reduce or cancel the principal amount or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) reduce the rate or rates of interest in respect of the Notes or vary the method or basis of calculating the Interest Amount in respect thereof, (iv) if a Minimum and/or a Maximum Interest Rate, Instalment Amount or Redemption Amount is specified in the applicable Final Terms, reduce any such Minimum and/or Maximum, (v) change any method of calculating the Redemption Amount, (vi) save as provided in Condition 6(i), change the currency or currencies of payment or denomination of the Notes, (vii) take any steps which as specified herein may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, or (viii) terminate the Guarantee, if any or (ix) modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution and will only be binding if passed at a meeting of the Noteholders (or at any adjournment thereof) at which a special quorum (provided for in the Agency Agreement) is present.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the applicable Final Terms in relation to such Series.

(b) *Modification of Agency Agreement:*

The Agency Agreement, the Notes and any Receipts and Coupons attached to the Notes may be amended by the relevant Issuer, the Guarantor (if applicable) and the Fiscal Agent without the consent of the holder of any Note, Receipt or Coupon (i) for the purpose of curing any ambiguity, or for curing, correcting or supplementing any defective provision contained therein, or to provide for substitution of the Issuers as provided in Condition 15, (ii) to make any further modifications of the terms of the Agency Agreement necessary or desirable to allow for the issuance of any additional Notes (which modifications shall not be materially adverse to holders of outstanding Notes) or (iii) in any manner which the relevant

Issuer, the Guarantor (if applicable) and the Fiscal Agent may deem necessary or desirable and which shall not materially adversely affect the interests of the holders of the Notes, Receipts and Coupons.

(c) ***Written Resolutions***

The Agency Agreement provides that a written resolution signed by or on behalf of the holders of not less than 75 per cent in nominal amount of Notes outstanding shall be as valid and effective as a duly passed Extraordinary Resolution.

11. Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, listing authority and stock exchange regulations, at the specified office of the Fiscal Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the relevant Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 13, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there will be paid to the relevant Issuer on demand the amount payable by such Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the relevant Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. Further Issues

Each Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes except as regards the issue date, the issue price and/or the payment of interest accruing prior to the Issue Date of such additional Notes or the payment of interest following the Issue Date and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to “Notes” shall be construed accordingly.

13. Notices

Notices to the holders of Registered Notes will be mailed to them at their respective addresses in the Register and will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes will be valid if published in a daily newspaper of general circulation in the United Kingdom (which is expected to be the Financial Times). If any such publication in such newspaper is not practicable, notice will be validly given if published in another leading daily English language newspaper of general circulation in the United Kingdom. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Fiscal Agent.

14. Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction in the winding-up or dissolution of the relevant Issuer or the Guarantor, as the case may be, or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to

be due to the recipient from the relevant Issuer or the Guarantor, as the case may be, shall only constitute a discharge to such Issuer or the Guarantor, as the case may be, to the extent of the amount in the currency of payment under the relevant Note, Coupon or Receipt which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Coupon or Receipt, the relevant Issuer or the Guarantor, as the case may be, shall indemnify the recipient against any loss sustained by the recipient as a result. In any event, such Issuer and the Guarantor (if applicable) shall indemnify the recipient against the cost of making any such purchase. If the amount received or recovered is more than the amount expressed to be due to the recipient under any Note, Coupon or Receipt (after taking into account the costs of making any such purchase), the recipient shall pay the amount of such excess to the Issuer thereof. For the purposes of this Condition, it will be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that such Noteholder or Couponholder, as the case may be, would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from such Issuer's and the Guarantor's (if applicable) other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgment or order.

15. Substitution of Issuer for Notes issued by Scotiabank Europe

In relation to any Notes (which, for the purposes of this Condition 15, shall mean all Notes of a particular Series) issued by Scotiabank Europe, the Guarantor shall have the right to become primarily liable as issuer of such Notes by giving notice to the holders of such Notes that the Guarantor has become primarily liable as issuer of such Notes with effect as at a specified date in such notice to be given if Scotiabank Europe has deposited with the Guarantor on behalf of the holders of such Notes an amount equal to the principal amount of such Notes then outstanding (together with interest and additional amounts, if any, accrued to the date of such deposit) and particulars of the trustee appointed in accordance herewith to act on behalf of the holders of such Notes and Coupons. From and after such deposit, Scotiabank Europe shall be released from all obligations under the Agency Agreement and the Deed of Covenant, both with respect to such Notes and its obligations hereunder and the Guarantor shall be substituted hereunder and thereunder in place of Scotiabank Europe with respect to such Notes with the same effect as if it had been named herein as the issuer of the Notes and shall possess and may exercise each and every right, and be subject to the same obligations of Scotiabank Europe hereunder and thereunder provided that:

(i) immediately after such substitution no condition or event shall exist in respect of the Guarantor which constitutes or would constitute an Event of Default;

(ii) the Guarantor immediately after such substitution would be able under applicable law to fulfil all payment obligations arising from or in connection with such Notes in the Specified Currency in which payment of principal and/or interest is to be made, without being required to withhold or deduct any amount for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the jurisdiction in which the branch of the Guarantor designated for such deposit is located or any political subdivision thereof or by or on behalf of Canada, its provinces or territories, or any authority therein or thereof having the power to tax and, for the purposes of this Condition 15(ii), "applicable law" at any time shall include all proposed amendments to any relevant tax laws and regulations and all proposed changes in the application or official interpretation of such laws or regulations which at such time have been publicly announced by a relevant taxing authority; and

(iii) the Guarantor delivers an opinion or opinions of legal counsel acceptable to a trustee, appointed by the Guarantor to act on behalf of the holders of such Notes and the holders of Coupons confirming: (a) that the Notes are legal, valid and binding obligations of the Guarantor enforceable against the Guarantor in accordance with their terms and that the Notes rank *pari passu* with all

deposit liabilities of the Guarantor, except as prescribed by law; and (b) the satisfaction of the condition referred to in Condition 15(ii) above.

16. Governing Law

The Notes, the Guarantees, the Receipts, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein. The relevant agreements relating to the Programme are governed by the laws of the Province of Ontario and the laws of Canada applicable therein. The parties have not exclusively submitted in the relevant agreements to the courts in Canada and the choice of Ontario and Canadian law does not limit or restrict (i) legal proceedings to the courts of Ontario or of Canada or (ii) the commencement of legal proceedings in other appropriate jurisdictions. If legal proceedings were commenced in Ontario in relation to the Programme, it is likely that they would be commenced in the Ontario Superior Court of Justice.

DESCRIPTION OF THE GUARANTEE

The Guarantor will unconditionally and irrevocably guarantee the payment of all amounts including additional amounts, if any, payable in respect of the Guaranteed Notes. The Guarantee will be endorsed on each Guaranteed Note, will be unsecured and will rank pari passu with all deposit liabilities of the Guarantor (except as otherwise prescribed by law) and without any preference amongst themselves.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Initial Issue of Notes

The Notes may be issued in bearer form only, in bearer form exchangeable for Registered Notes or in registered form only. Each Tranche of Bearer Notes having an original maturity of more than one year will initially be represented by a temporary Global Note and each Tranche of Bearer Notes having an original maturity of one year or less will initially be represented by a permanent Global Note, in each case, in bearer form without Coupons, Receipts or Talons attached. The relevant Global Note will (i) if the Global Notes are intended to be issued in the NGN form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper for Euroclear and/or Clearstream, Luxembourg; and (ii) if the Global Notes are not intended to be issued in NGN form, be delivered on or prior to the issue date thereof to a common depository on behalf of Euroclear and/or Clearstream, Luxembourg (the “Common Depository”) or any other agreed clearing system. Notes issued in registered form will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series (subject to the provisions of the Agency Agreement). Registered Notes which are held in Euroclear and/or Clearstream, Luxembourg will be registered in the name of a nominee for such system or a common nominee for both systems and the relative Certificate(s) will be delivered to the appropriate depository or a Common Depository, as the case may be. If the Global Note is not an NGN, upon the initial deposit of a Global Note with the Common Depository, or the initial registration in the name of nominees for Euroclear and/or Clearstream, Luxembourg or such other clearing system as may be agreed between the relevant Issuer, the Guarantor (if applicable), the relevant Dealer, the Fiscal Agent and the Registrar (if applicable), or a common nominee, and delivery of the relative Global Certificate(s) to the appropriate depositories, or a Common Depository, for Euroclear or Clearstream, Luxembourg (or such other clearing system as may be agreed to between the relevant Issuer, the Guarantor (if applicable), the relevant Dealer, the Fiscal Agent and the Registrar (if applicable) (each an “Approved Intermediary”)) will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid. If the Global Note is an NGN, the Global Note will be delivered on or prior to the issue date of the Tranche to a Common Safekeeper. The amount of the Notes shall be the aggregate principal amount from time to time entered in the records of Euroclear and/or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the principal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time. Any reference to Euroclear or Clearstream, Luxembourg, whenever the context so permits, shall be deemed to include a reference to any additional or alternative clearing system as may be agreed to between the relevant Issuer, the Guarantor (if applicable), the relevant Dealer, the Fiscal Agent and the Registrar (if applicable).

Where the Global Notes issued in respect of any Tranche are in NGN form, Euroclear and Clearstream, Luxembourg will be notified by or on behalf of the Issuer whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Neither depositing the Global Notes with the Common Safekeeper nor indicating that they are to be held in a manner which would allow Eurosystem eligibility necessarily means that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Relationship of Accountholders with Clearing Systems

For so long as any of the Notes is represented by a Global Note or a Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who for the time being is shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Note (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Note standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest or proven error) shall be treated by the relevant Issuer, the Guarantor (if applicable) and any Paying Agent as the holder of such principal amount in accordance with and subject to the terms of the relevant Global

Note or Global Certificate and the expressions “Noteholder” and “Holder” and related expressions shall be construed accordingly.

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg or such Approved Intermediary as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear or Clearstream, Luxembourg or such Approved Intermediary (as the case may be) for his or her share of each payment made by the relevant Issuer or the Guarantor (if applicable) to the bearer of such Global Note or the registered holder of the Global Certificate, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg or such Approved Intermediary (as the case may be). Such persons shall have no claim directly against the relevant Issuer or the Guarantor (if applicable) in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the relevant Issuer and the Guarantor (if applicable) will be discharged by payment to the bearer of such Global Note or the registered holder of the Global Certificate, as the case may be, in respect of each amount so paid.

Amendment to Conditions

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions which apply to the Notes which they represent, some of which modify the effect of the terms and conditions of the Notes set out in this document. The following is a summary only of certain of those provisions:

Exchange. Each temporary Global Note will be exchangeable in whole or in part for interests in a permanent Global Note or, if so provided in a temporary Global Note, for definitive Bearer Notes (as described in the next paragraph) after the date falling 40 days after the Issue Date of the Notes upon certification as to non-U.S. beneficial ownership (and, in the case of any Notes where the Subscription Agreement specifies that the applicable TEFRA exemption is “HIRE Act Rules” also any other requirements specified as requisite to such an exchange in the Final Terms with respect to such Note) in the form set out in the Agency Agreement in the case of Bearer Notes or, in the case of Exchangeable Bearer Notes, for Certificates any time after the Issue Date in the case of Registered Notes. Each permanent Global Note is exchangeable in whole at the request of the holder (i) if so provided in a permanent Global Note, or (ii) if a permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg and either of such clearing systems is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so, or (iii) if an event of default occurs in relation to the Notes represented thereby, at the cost and expense of the relevant Issuer, for definitive Bearer Notes or (in the case of Exchangeable Bearer Notes) Certificates by such holder giving notice to the Fiscal Agent, or by the relevant Issuer giving notice to the Fiscal Agent and the relevant Noteholders of its intention to exchange (at the option, cost and expense of such Issuer) such permanent Global Note for definitive Bearer Notes or (in the case of Exchangeable Bearer Notes) Certificates, in each case on or after the Exchange Date specified in the notice.

On or after any Exchange Date (as defined below) the holder of a permanent Global Note may surrender such permanent Global Note to the Fiscal Agent. In exchange for any permanent Global Note the relevant Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated definitive Bearer Notes (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts which have not already been paid on the permanent Global Note and a Talon), or, in the case of Exchangeable Bearer Notes, the relevant Certificate security printed in accordance with any applicable legal and stock exchange or regulatory authority requirements and in or substantially in the form set out in Schedule 2 to the Agency Agreement. On exchange in full of each permanent Global Note, the relevant Issuer will, if the holder so requests, procure that such Global Note is cancelled and returned to the holder together with the relevant definitive Bearer Notes or, in the case of Exchangeable Bearer Notes, the relevant Certificate.

If the Global Note is an NGN, on or after any due date for exchange, the Issuer thereof will procure that details of such exchange be entered pro rata in the records of the relevant clearing system.

“Exchange Date” means a day falling not less than 60 days after that date on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and, except in the case of an exchange pursuant to (ii) above, in the cities in which the relevant clearing system is located.

Payments. No payment falling due more than 40 days after the Issue Date will be made on a temporary Global Note unless exchange for an interest in a permanent Global Note or for definitive Bearer Notes or Certificates is improperly withheld or refused. Payments on any temporary Global Note during the period up to 40 days after its Issue Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form required by the clearing systems. All payments in respect of Notes represented by a Global Note which is not an NGN will be made against presentation for endorsement and, if no further payment is to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. In respect of Bearer Notes not held in NGN form, a record of each payment so made will be endorsed in the appropriate schedule to each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. In respect of Bearer Notes held in NGN form, a record of each payment shall be entered *pro rata* in the records of Euroclear or Clearstream, Luxembourg and, upon any such entry being made, the principal amount of the Notes recorded in the records of Euroclear or Clearstream, Luxembourg and represented by the Global Note shall be reduced by the aggregate principal amount of the Notes so redeemed or purchased and cancelled by the aggregate amount of such instalment so paid. Payments under any Notes in NGN form will be made to the holder of such Note. Each payment so made will discharge the relevant Issuer’s obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

Following redenomination of any Notes pursuant to Condition 6(j), the amount of interest due in respect of such Notes represented by a Global Note will be calculated by reference to the aggregate principal amount of such Notes and the amount of such payment shall be rounded down to the nearest euro 0.01.

Notices. So long as any Notes are represented by a Global Note and such Global Note is held on behalf of Euroclear or Clearstream, Luxembourg, notices to Noteholders of that Series may be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which such notice was given to Euroclear or Clearstream, Luxembourg, as applicable.

Notices to be given by any Noteholder may be given to the Fiscal Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Fiscal Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

Prescription. Claims against the relevant Issuer or the Guarantor (if applicable) in respect of Notes which are represented by a permanent Global Note will become void unless it is presented for payment within a period of 2 years from the appropriate Relevant Date (as defined in Condition 7).

Meetings. The holder of a Global Note will be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, as having one vote in respect of each minimum denomination of Notes for which such Global Note may be exchanged.

Purchase and Cancellation. Cancellation of any Note surrendered for cancellation following its purchase will be effected by reduction in the principal amount of the relevant Global Note.

Default. Each Global Note and Global Certificate provides that the holder may cause such Global Note, or a portion of it, or one or more Registered Notes represented by such Global Certificate to become due and repayable in the circumstances described in, and as limited by the restrictions set forth in, Condition 9 by stating in the notice to the Fiscal Agent the principal amount of such Global Note or one or

more Registered Notes which will become due and repayable. Following the giving of a notice of an event of default by or through a common depositary for Euroclear and/or Clearstream, Luxembourg or if the holder of a Global Note so elects, the Global Note or Registered Notes represented by the Global Certificate will become void as to the specified portion and the persons entitled to such portion as accountholders with Euroclear or Clearstream, Luxembourg will acquire direct enforcement rights against the Issuer under the terms of the relevant Deed of Covenant.

Issuer's Option. No drawing of Notes will be required under Condition 5 in the event that the Issuer thereof exercises any option relating to those Notes while all such Notes which are outstanding are represented by a permanent Global Note. In the event that any option of such Issuer is exercised in respect to some but not all of the Notes of any Series, the rights of accountholders with Euroclear or Clearstream, Luxembourg or such Approved Intermediary (as the case may be) in respect of the Notes will be governed by the standard procedures of Euroclear or Clearstream, Luxembourg or such Approved Intermediary (as the case may be), and in respect of Notes held in NGN form this shall be reflected in the records of Euroclear or Clearstream, Luxembourg as either a pool factor or a reduction in principal amount at their discretion.

Noteholders' Option. Any Noteholders' option may be exercised by the holder of a Global Note giving notice to the Fiscal Agent of the principal amount of Notes in respect of which the option is exercised and at the same time, where the Global Note is not in NGN form, presenting the Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for endorsement of exercise within the time limits specified in the Conditions. Where the Global Note is in NGN form, the Issuer thereof shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the principal amount of the Notes recorded in those records will be reduced accordingly.

NGN nominal amount. Where the Global Note is a NGN, the Issuer thereof shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

Integral multiples of less than €100,000 (or the equivalent of such amounts in another currency as at the date of issue of the Notes). So long as the Notes are represented by a temporary Global Note or permanent Global Note and the relevant clearing system(s) so permit, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) as provided in the applicable Final Terms and higher integral multiples of at least 1,000 in the relevant currency if specified in the applicable Final Terms (the "Integral Amount"), notwithstanding that no definitive Notes will be issued with a denomination above the Definitive Amount in such currency. The "Definitive Amount" shall be equal to two times the lowest Specified Denomination minus the Integral Amount. If a Global Note is exchangeable for definitive Notes at the option of the Noteholder, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination).

USE OF PROCEEDS

The net proceeds from each issue of Notes will be added to the general funds of the Issuer thereof.

CERTAIN TAX LEGISLATION AFFECTING THE NOTES

Canada

The following summary describes the principal Canadian federal income tax considerations generally applicable to a holder of Notes who acquires, as beneficial owner, Notes pursuant to this Prospectus, and who, at all relevant times, for the purposes of the application of the *Income Tax Act* (Canada) (the “Tax Act”): (a) is not resident and is not deemed to be resident in Canada; (b) deals at arm’s length with the Bank and any transferee resident (or deemed to be resident) in Canada to whom the holder disposes of Notes; (c) does not use or hold Notes in or in the course of carrying on a business in Canada; (d) is entitled to receive all payments (including any interest and principal) on the Notes; (e) is not a “specified non-resident shareholder” of the Bank for purposes of the Tax Act or a non-resident person not dealing at arm’s length with a “specified shareholder” (within the meaning of Subsection 18(5) of the Tax Act) of the Bank; and (f) is not an insurer that carries on an insurance business in Canada and elsewhere (a “Non-resident Holder”).

This summary is based upon the provisions of the Tax Act and the regulations thereunder (the “Regulations”) in force on the date hereof and an understanding of the current administrative practices and assessing policies of the Canada Revenue Agency. This summary takes into account all specific proposals to amend the Tax Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “Proposed Amendments”) and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative or assessing practice, whether by legislative, regulatory, administrative or judicial action, nor does it take into account provincial, territorial or foreign income tax legislation. Subsequent developments could have a material effect on the following description.

This summary is of a general nature only and is not intended to be, legal or tax advice to any particular holder and no representation is made with respect to the Canadian federal income tax consequences to any particular holder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, prospective purchasers of Notes should consult their own tax advisors with respect to their particular circumstances.

In the case of a Note issued by the Bank, interest paid or credited or deemed to be paid or credited by the Bank (including amounts on account of, or in lieu of, or in satisfaction of interest) to a Non-resident Holder will not be subject to Canadian non-resident withholding tax. In the case of a Note guaranteed by the Bank, amounts paid by the Bank to a Non-resident Holder will not be subject to Canadian non-resident withholding tax.

Generally, there are no other Canadian federal income taxes that would be payable by a Non-resident Holder on interest, discount, or premium in respect of a Note or on the proceeds received by a Non-resident Holder on a disposition of a Note.

EU Savings Directive

Under the EC Council Directive 2003/48/EC on the taxation of savings income (the “Directive”), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

United Kingdom

The following applies only to persons who are the beneficial owners of Notes and is a summary of the relevant Issuer's understanding of current United Kingdom law and published HM Revenue and Customs practice relating only to United Kingdom withholding tax treatment of payments of principal and interest in respect of Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

In this section:

“UK Source Notes” means Notes issued by the Bank’s London branch or Scotiabank Europe; and

“Non-UK Source Notes” means all Notes that are not UK Source Notes.

Interest on the Notes

1. Payment of Interest on the UK Source Notes

The relevant Issuer, provided that it continues to be a bank within the meaning of section 991 of the Income Tax Act 2007 (the Act), and provided that the interest on the UK Source Notes is paid in the ordinary course of its business within the meaning of section 878 of the Act, will be entitled to make payments of interest without withholding or deduction for or on account of United Kingdom income tax. Interest will not be regarded as being paid in the ordinary course of business where the borrowing relates to the capital structure of the Issuer. The borrowing will be regarded as relating to the capital structure of the Issuer if it conforms to any of the definitions of tier 1, 2 or 3 capital adopted by the Prudential Regulation Authority (“**PRA**”), whether or not the borrowing actually counts towards tier 1, 2 or 3 capital for regulatory purposes.

Payments of interest on the UK Source Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the UK Source Notes continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Act. The London Stock Exchange is a recognised stock exchange. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000) and admitted to trading on the London Stock Exchange. Provided, therefore, that the UK Source Notes remain so listed, interest on the UK Source Notes will be payable without withholding or deduction on account of United Kingdom tax whether or not the relevant Issuer carries on a banking business in the United Kingdom and whether or not the interest is paid in the ordinary course of its business

Interest on the UK Source Notes may also be paid without withholding or deduction on account of United Kingdom tax where interest on the UK Source Notes is paid by a company and, at the time the payment is made, the relevant Issuer reasonably believes (and any person by or through whom interest on the UK Source Notes is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest; provided that HM Revenue and Customs (“**HMRC**”) has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

Interest on the UK Source Notes may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the UK Source Notes is less than 365 days and those UK

Source Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest on the UK Source Notes on account of United Kingdom income tax at the basic rate (currently 20%). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the relevant Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

2. Payment of interest on the Non-UK Source Notes

Payments of interest on the Non-UK Source Notes may be made without withholding on account of United Kingdom income tax.

3. Provision of Information

HMRC has powers, in certain circumstances, to obtain information about: payments derived from securities (whether income or capital); certain payments of interest (including the amount payable on the redemption of a deeply discounted security); and securities transactions.

The persons from whom HMRC can obtain information include: a person who receives (or is entitled to receive) a payment derived from securities; a person who makes such a payment (received from, or paid on behalf of another person); a person by or through whom interest is paid or credited; a person who effects or is a party to securities transactions (which includes an issue of securities) on behalf of others; registrars or administrators in respect of securities transactions; and each registered or inscribed holder of securities.

The information HMRC can obtain includes: details of the beneficial owner of securities; details of the person for whom the securities are held, or the person to whom the payment is to be made (and, if more than one, their respective interests); information and documents relating to securities transactions; and, in relation to interest paid or credited on money received or retained in the United Kingdom, the identity of the security under which interest is paid. HMRC is generally not able to obtain information (under its power relating solely to interest) about a payment of interest to (or a receipt for) a person that is not an individual. This limitation does not apply to HMRC's power to obtain information about payments derived from securities.

HMRC has indicated that it will not use its information-gathering power on interest to obtain information about amounts payable on the redemption of deeply discounted securities which are paid before 6 April 2014.

In certain circumstances the information which HMRC has obtained using these powers may be exchanged with tax authorities in other jurisdictions.

The Proposed Financial Transactions Tax

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “participating Member States”).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating

Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code (“FATCA”) impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to any non-U.S. financial institution (a “foreign financial institution”, or “FFI” (as defined by FATCA)) that does not become a “Participating FFI” by entering into an agreement with the U.S. Internal Revenue Service (“IRS”) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA. The Issuers are classified as FFIs.

The new withholding regime will be phased in beginning 1 January 2014 for payments from sources within the United States and will apply to “foreign passthru payments” (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Notes characterised as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the “grandfathering date”, which is the later of (a) 1 January 2014 and (b) the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued before the grandfathering date, and additional Notes of the same series are issued on or after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an “IGA”). Pursuant to FATCA and the “Model 1” and “Model 2” IGAs released by the United States, an FFI in an IGA signatory country could be treated as a “Reporting FI” not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being “FATCA Withholding”) from payments it makes (unless it has agreed to do so under the U.S. “qualified intermediary,” “withholding foreign partnership,” or “withholding foreign trust” regimes). The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on payments made to recalcitrant account holders in certain instances and on foreign passthru payments. A Reporting FI governed by a Model 2 IGA may also have to withhold on payments made to noncompliant (or “nonparticipating FFIs”). Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and Canada have announced an intention to enter into an IGA. The United States and the United Kingdom have entered into an agreement (the “US-UK IGA”) based largely on the Model 1 IGA.

Scotiabank Europe expects to be treated as a Reporting FI pursuant to the US-UK IGA and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that Scotiabank Europe will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. If the relevant Issuer becomes a Participating FFI under FATCA, such Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA. If an amount in respect of FATCA Withholding were to be deducted or withheld from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying

agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

Whilst the Notes are in global form and held within the clearing systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuers, the Guarantor, any paying agent, the common depositary or the common safekeeper, given that each of the entities in the payment chain beginning with the Issuers and ending with the clearing systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the clearing systems. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive notes will only be printed in remote circumstances.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

PLAN OF DISTRIBUTION

Subject to the terms and conditions contained in an Amended and Restated Distribution Agreement dated June 28, 2013 (the “Distribution Agreement” which expression shall include any amendment or supplements thereto or restatements thereof) between the Issuers, the Guarantor and the Permanent Dealers, the Notes will be offered on a continuous basis by the Issuers to the Permanent Dealers, however the Issuers have reserved the right to sell Notes directly on their own behalf to Dealers which are not Permanent Dealers under and pursuant to the terms of the Distribution Agreement. Such Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuers through the Dealers, acting as agents of the Issuers. The Distribution Agreement also provides for Notes to be issued in syndicated Tranches which are jointly and severally underwritten by two or more Dealers.

The relevant Issuer will pay each relevant Dealer a commission depending upon maturity in respect of Notes subscribed or procured for subscription by it. The Issuers have agreed to reimburse the Dealers for certain of their expenses incurred in connection with the establishment and update of the Programme and the issue of Notes under the Programme.

The Issuers and the Guarantor (if applicable) have agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Distribution Agreement may be terminated in relation to all the Dealers or any of them by the Issuers or, in relation to itself and the Issuers only, by any Dealer, at any time on giving not less than ten business days’ notice.

Each purchaser of a Note will arrange for payment as instructed by the applicable Dealer. The Dealers are required to deliver the proceeds of the Notes to the relevant Issuer in immediately available funds, to a bank designated by such Issuer in accordance with the terms of the Distribution Agreement, on the date of settlement.

United States

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or under any state securities laws and may not be offered, sold or delivered, directly or indirectly, within the United States, its territories or possessions or to, or for the account or benefit of, U.S. persons except in accordance with Rule 903 or 904 of Regulation S under the Securities Act (“Regulation S”) or in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. Treasury regulations. Each Dealer has agreed it will not offer, sell or deliver a Note in bearer form within the United States or to U.S. persons. Terms used in this paragraph have the meanings given to them by the Code.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Distribution Agreement, it will not offer, sell or deliver the Notes of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the relevant Issuer, the Guarantor and each relevant Dealer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, in accordance with Rule 903 of Regulation S, within the United States, its territories or possessions or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States, its territories and possessions or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Canada

Each Dealer has acknowledged and each further Dealer appointed under the Programme will be required to acknowledge that the Notes have not been and will not be qualified for sale under the securities laws of Canada or any province or territory thereof and has represented and agreed that it has not offered, sold or distributed, and that it will not offer, sell or distribute, any Notes, directly or indirectly, in Canada or to, or for the benefit of, any resident thereof in contravention of the securities laws of Canada or any province or territory thereof. Each Dealer has also agreed and each further Dealer appointed under the Programme will be required to agree not to distribute or deliver this Prospectus, or any other offering material relating to the Notes in Canada in contravention of the securities laws of Canada or any province or territory thereof.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a “Relevant Member State”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (ii) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer, or
- (iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable any investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. The expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not or would not if it was not, an authorised person, apply to the relevant Issuer or (in relation to Notes issued by Scotiabank Europe) the Guarantor; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the “FIEA” and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Italy

As of the date of this Prospectus, the Issuers are not licensed to “collect deposits and other funds with the obligation to reimburse” in Italy and therefore, no Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy.

France

Each of the Dealers and each Issuer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus, the relevant Final Terms or any other offering material relating to the Notes, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2, and D.411-1 to D.411-3 of the French Code *monétaire et financier*.

General

No action has been or will be taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required. None of the Issuers, the Guarantor or any of the Dealers represent that Notes may at anytime lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuers nor any of the Dealers shall have any responsibility therefor.

GENERAL INFORMATION

1. Trading information in relation to Notes admitted to the Official List and to trading on the Market will be expressed as a percentage of their principal amount (exclusive of accrued interest). It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's regulated market will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes (or one or more Certificates) representing the Notes of such Tranche. Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market. The listing of the Programme in respect of Notes is expected to be granted on or before July 4, 2013.
2. The Issuers have obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes. The establishment and update of the Programme and the issue of Deposit Notes thereunder was authorised by Resolutions of the Board of Directors of the Bank passed on October 25, 1994, August 27, 1996, March 25, 1997, June 24, 1997, August 25, 1998, November 30, 1999, October 25, 2005, December 8, 2006, June 26, 2007, December 6, 2007, December 2, 2011 and April 8, 2013. The creation, issue and sale of Subordinated Indebtedness to be issued under the Programme was authorised by Resolutions of the Board of Directors of the Bank passed on August 28, 2012. On February 5, 1998, September 17, 1998, December 1, 1999, December 6, 2000, December 11, 2001, December 12, 2002, December 10, 2003, December 14, 2004, December 14, 2005, December 13, 2006, January 8, 2008, December 18, 2008, December 16, 2009 and June 12, 2013 the Board of Directors of Scotiabank Europe passed Resolutions authorising participation in the Programme and the issue of up to U.S.\$1,000,000,000 (or its equivalent in other currencies at the date of issue) of Guaranteed Notes thereunder. Pursuant to Resolution of the Board of Directors of the Bank dated June 24, 1997, the Guarantees in respect of Guaranteed Notes were authorised.
3. Each Bearer Note, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
4. There has been no significant change in the financial or trading position of the Bank and its subsidiaries taken as a whole since April 30, 2013, being the date of the latest unaudited interim consolidated financial statements of the Bank for the three and six month periods ended April 30, 2013 and no material adverse change in the prospects of the Bank and its subsidiaries taken as a whole since October 31, 2012, being the date of the latest audited published consolidated financial statements of the Bank.
5. There has been no significant change in the financial or trading position of Scotiabank Europe since October 31, 2012, being the date of the latest annual audited financial statements of Scotiabank Europe for year ended October 31, 2012 and no material adverse change in the prospects of Scotiabank Europe since October 31, 2012, being the date of the latest audited published consolidated financial statements of Scotiabank Europe.
6. The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code and the International Securities Identification Number ("ISIN") for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg and details of any other agreed clearance system will be set out in the applicable Final Terms. The applicable Final Terms shall specify any other clearing system that shall have accepted the relevant Notes for clearance together with any further appropriate information.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

7. From the date hereof and for so long as the Programme remains in effect or any Notes remain outstanding, the following documents will, be available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the head office of the Bank and at the specified office of the Fiscal Agent:
 - (i) the Agency Agreement (which includes the form of the Guarantee, the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons, the Receipts and the Talons);
 - (ii) the Distribution Agreement;
 - (iii) the Deeds of Covenant;
 - (iv) the Bank Act (being the charter of the Bank) and By-laws of the Bank;
 - (v) a copy of the Memorandum and Articles of Association of Scotiabank Europe;
 - (vi) the Annual Statements of the Bank, including the Annual Information Form, Audited Consolidated Financial Statements for the fiscal years ended October 31, 2012 and 2011 and the auditors' report thereon, Management's Discussion and Analyses of Financial Condition and Results of Operations for the year ended October 31, 2012, and the 2013 Second Quarter Report for the three and six month periods ended April 30, 2013 and the Material Change Report dated June 3, 2013;
 - (vii) the annual financial statements of Scotiabank Europe for the fiscal year ended October 31, 2012 and October 31, 2011 and the auditors reports thereon;
 - (viii) each Final Terms for Notes which are listed on the Official List and admitted to trading on the Market;
 - (ix) a copy of this Prospectus together with any further or supplementary Prospectuses when published; and
 - (x) a copy of the subscription agreement for Notes issued on a syndicated basis which are listed on the Official List and admitted to trading on the Market.
8. Copies of the latest annual financial statements, annual management's discussion and analysis of financial condition and results of operations, interim financial statements and interim management's discussion and analysis of financial condition and results of operations to shareholders of the Bank and the latest annual financial statements of Scotiabank Europe may be obtained, and copies of the Agency Agreement and each Deed of Covenant will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.
9. This Prospectus may also be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name of the relevant Issuer and the headline "Publication of Prospectus" or through the National Storage Mechanism at www.hemscott.com/nsm.do.
10. The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

11. The Issuers do not intend to provide any post-issuance information in relation to any issues of Notes.
12. Settlement arrangements will be agreed between the Issuers, the Relevant Dealer and the Paying Agent or, as the case may be, the Registrar in relation to each Tranche of Notes.
13. Yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

PRO FORMA FINAL TERMS

Final Terms dated •

[The Bank of Nova Scotia/Scotiabank Europe plc]
Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]
[Guaranteed by The Bank of Nova Scotia]
under the U.S.\$20,000,000,000
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

This document constitutes the Final Terms relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “Conditions”) set forth in the Prospectus dated June 28, 2013 [and the supplemental Prospectus dated ●] which [together] constitute[s] a base prospectus (the “Prospectus”) for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer[, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus [and the supplemental prospectus] [is] [are] available for viewing during normal office hours at the office of the Fiscal Agent, Registrar and Transfer Agent and copies may be obtained from the principal office of the Issuer and may also be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name of the Issuer [and copies may be available from [address].]

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “Conditions”) set forth in the Prospectus dated *[original date]* which are incorporated by reference in the Prospectus dated June 28, 2013 and are attached hereto. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”) and must be read in conjunction with the Prospectus dated June 28, 2013 [and the supplemental Prospectus dated •], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus dated June 28, 2013 [and the supplemental Prospectus dated •]. The Prospectus dated June 28, 2013 [and the supplemental Prospectus(es)] and the Conditions which are extracted from the Prospectus dated *[original date]* and are incorporated by reference in the Prospectus dated June 28, 2013 are available for viewing during normal business hours at the office of the Fiscal Agent, Registrar and Transfer Agent and copies may be obtained from the principal office of the Issuer and may also be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name of the Issuer [and copies may be available from [address]].

INVESTORS SHOULD REFER TO THE SECTION HEADED “RISK FACTORS” IN THE PROSPECTUS FOR A DISCUSSION OF CERTAIN MATTERS THAT SHOULD BE CONSIDERED WHEN MAKING A DECISION TO INVEST IN THE NOTES.

1. (i) Issuer: [The Bank of Nova Scotia[, Head office, Toronto][, London branch]][Scotiabank

		Europe plc]
	[(ii)] Guarantor:	[The Bank of Nova Scotia][Not applicable]
2.	[(i)] Series Number:	[]
	[(ii)] Tranche Number:	[]
3.	Specified Currency or Currencies:	[]
4.	Aggregate Principal Amount:	
	[(i)] Series:	[]
	[(ii)] Tranche:	[]
5.	Issue Price:	[] per cent. of the Aggregate Principal Amount [plus accrued interest from [●]]
6.	(i) Specified Denomination(s):	[] and integral multiples of 1,000 in excess thereof up to and including 199,000. No Notes in definitive form will be issued with a denomination above 199,000.
	(ii) Calculation Amount:	[]
7.	(i) Issue Date:	[]
	(ii) Interest Commencement Date:	[●/Issue Date/Not Applicable]
8.	Maturity Date:	
9.	Interest Basis:	[] per cent. Fixed Rate] [] month [LIBOR/EURIBOR] +/- [] per cent. Floating Rate] [Zero Coupon]
10.	[(a)]Redemption/Payment Basis:	In respect of the period from (and including) [the Interest Commencement Date]/[] to (but excluding) [], [[] per cent. per annum Fixed Rate]/[[] month [LIBOR/EURIBOR] +/- [] per cent. Floating Rate] [Redemption at par] [Instalment]
11.	Change of Interest:	[Applicable/Not Applicable] [Not Applicable]
12.	Put/Call Options:	[Issuer's Option] [Noteholders' Option]

13. Status of the Notes: [Deposit Notes/Subordinated Notes/Guaranteed Notes][Date Board approval for issuance of [Subordinated Notes] obtained: [] [and [], respectively]]
14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions:** [Applicable/Not Applicable] [Applicable in respect of the period from [the Interest Commencement Date]/[] to []]
- (i) Interest Rate[(s)]: [] per cent. per annum [payable in arrear]
- [In respect of the period from (and including) [the Interest Commencement Date]/[] to (but excluding) [], [] per cent. per annum]
- (ii) Interest Payment Date(s): [] in each year up to and including the Maturity Date [adjusted in accordance with [●] commencing on [], [] [adjusted/not adjusted]
- (iii) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/][Not Applicable]
- (iv) Business Centre(s): []
- (v) Fixed Coupon Amount[(s)]: [] per Calculation Amount/Not Applicable
- (vi) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling on []/Not Applicable
- (vii) Day Count Fraction: [[Actual/365] [Actual/Actual] [Actual/365 (Fixed)] [Actual/Actual – ICMA] [Actual/360]/[Actual/365 Sterling]/[30/360]/[30E/360]/[Eurobond Basis]]
- (viii) [Determination Date(s): [] in each year]
16. **Floating Rate Note Provisions** [Applicable/Not Applicable] [Applicable in respect of the period from [the Interest Commencement Date]/[] to []]
- (i) Interest Period Dates: []

(ii)	Interest Payment Dates:	[]
(iii)	Business Day Convention:	[Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ [Not Applicable]]
(iv)	Business Centre(s):	[]
(v)	Primary Source:	[Screen Rate/ Reference Banks]
(vi)	Benchmark:	[LIBOR][EURIBOR]
(vii)	Relevant Screen Page:	[]
(viii)	Interest Determination Date(s):	[]
(ix)	Relevant Currency:	[]
(x)	Representative Amount:	[]
(xi)	Margin(s):	[+/-][] per cent. per annum
(xii)	Rate Multiplier:	[Applicable/Not Applicable] [●]
(xiii)	Minimum Interest Rate:	[] per cent. per annum
(xiv)	Maximum Interest Rate:	[] per cent. per annum
(xv)	Day Count Fraction:	[Actual/365] [Actual/Actual] [Actual/365 (Fixed)] [Actual/Actual – ICMA] [Actual/360]/[Actual/365 Sterling]/[30/360]/[30E/360]/[Eurobond Basis]
(xvi)	Effective Date:	[]
17.	Zero Coupon/High Interest/Low Interest Note Provisions	[Applicable/Not Applicable]
(i)	Amortisation Yield:	[] per cent. per annum
(ii)	Reference Price:	[]
(iii)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Actual/365] [Actual/Actual] [Actual/365 (Fixed)] [Actual/Actual – ICMA] [Actual/360]/[Actual/365 Sterling]/[30/360]/[30E/360]/[Eurobond Basis]

PROVISIONS RELATING TO REDEMPTION

18. **Issuer Option (Call)** [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): []
 - (ii) Optional Redemption Amount(s) of each Note: [] per Calculation Amount
 - (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [] per Calculation Amount
 - (b) Maximum Redemption Amount: [] per Calculation Amount
 - (iv) Issuer's Option Period: []
19. **Noteholder Option (Put)** [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): []
 - (ii) Optional Redemption Amount(s) of each Note: [] per Calculation Amount
 - (iii) Noteholder's Option Period: []
20. **Final Redemption Amount of each Note** [] per Calculation Amount
21. **Early Redemption Amount**
- (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default: [] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. Form of Notes :
- Bearer Notes:**
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for [definitive Notes on [] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] [and/or Registered Notes]]
- [Temporary Global Note exchangeable for [definitive Notes on [] days' notice] [and/or Registered Notes]]
- [Permanent Global Note exchangeable for [definitive Notes on [] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] [Registered

Notes]]

[Registered Notes]

23. New Global Note: [Yes/No]
24. Financial Centre(s) or other special provisions relating to Payment Dates: (Condition 6(h)) [Not Applicable/●]
25. Talons for future Coupons or Receipts to be attached to definitive Notes (and dates on which such Talons mature): [Yes/No.]
26. Unmatured Coupons to become void on early redemption: [Yes/No]
27. Details relating to Instalment Notes: Instalment Amount, Instalment Date [Not Applicable/●]
28. Redenomination [Not Applicable/The provisions [in Condition •]apply]

Signed on behalf of the Issuer:

By: _____

Duly authorised

[Signed on behalf of the Guarantor:

By: _____

Duly authorised]

PART B – OTHER INFORMATION

1. LISTING

- (i) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the London Stock Exchange with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the London Stock Exchange with effect from [].]
- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

- Ratings: [The Notes to be issued have been]/[are expected to be] rated:
[Standard and Poor's Financial Services LLC: [●]]
[Moody's Investors Service, Inc.: [●]]
[Fitch, Inc.: [●]]
[DBRS Limited: [●]].]
[The Notes have not specifically been rated.]

3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

[Save for any fees payable to the [Managers/Dealers]], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

4. TEFRA RULES

- Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA C/TEFRA not applicable]

5. [Fixed rate Notes only – YIELD]

- Indication of yield: []

6. OPERATIONAL INFORMATION

- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg [Not applicable][]

and the relevant
identification number(s):

- | | | |
|------|---|------------------------------------|
| (iv) | Delivery: | Delivery [against/free of] payment |
| (v) | Names and addresses of additional Paying Agents (if any): | [] |

**HEAD OFFICE OF THE BANK OF NOVA
SCOTIA**

1709 Hollis Street
Halifax, Nova Scotia
B3J 3B7

**EXECUTIVE OFFICES OF THE BANK OF
NOVA SCOTIA**

Scotia Plaza
44 King Street West
Toronto, Ontario
M5H 1H1

HEAD OFFICE OF SCOTIABANK EUROPE PLC

201 Bishopsgate
6th Floor
London EC2M 3NS

DEALERS

Barclays Bank PLC

5 The North Colonnade
Canary Wharf
London E14 4BB

BNP PARIBAS

10 Harewood Avenue
London NW1 6AA

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

Deutsche Bank AG, London Branch

Winchester House
1 Great Winchester Street
London EC2N 2DB

Goldman Sachs International

Peterborough Court
133 Fleet Street
London EC4A 2BB

HSBC Bank plc

8 Canada Square
London E14 5HQ

J.P. Morgan Securities plc

25 Bank Street
Canary Wharf
London E14 5JP

Merrill Lynch International

2 King Edward Street
London EC1A 1HQ

Morgan Stanley & Co. International plc

25 Cabot Square
Canary Wharf
London E14 4QA

Scotiabank Europe plc

201 Bishopsgate
6th Floor
London EC2M 3NS

The Royal Bank of Scotland plc

135 Bishopsgate
London EC2M 3UR

UBS Limited

1 Finsbury Avenue
London EC2M 2PP

Wells Fargo Securities International Limited

1 Plantation Place
30 Fenchurch Street
London EC3M 3BD

FISCAL AGENT AND PRINCIPAL PAYING AGENT

The Bank of Nova Scotia, London Branch
201 Bishopsgate
6th Floor
London EC2M 3NS

REGISTRAR AND TRANSFER AGENT

The Bank of Nova Scotia, London Branch
201 Bishopsgate
6th Floor
London EC2M 3NS

PAYING AND TRANSFER AGENT

The Bank of Nova Scotia
Global Wholesale Services
720 King Street West, 4th Floor
Toronto, Ontario
M5V 2T3

CALCULATION AGENT

The Bank of Nova Scotia, London Branch
201 Bishopsgate
6th Floor
London EC2M 3NS

AUDITORS

To The Bank of Nova Scotia
KPMG LLP
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto, Ontario
M5H 2S5

To Scotiabank Europe plc
KPMG Audit Plc
15 Canada Square
Canary Wharf
London E14 5GL

LEGAL ADVISERS

To the Issuers

Allen & Overy LLP
One Bishops Square
London E1 6AD

(as to Canadian Law)

Osler, Hoskin & Harcourt LLP
100 King Street West
1 First Canadian Place
Suite 6100, P.O. Box 50
Toronto, Ontario M5X 1B8

To the Dealers

Stikeman Elliott LLP
Commerce Court West
53rd Floor, P.O. Box 85
Toronto, Ontario M5L 1B9

Stikeman Elliott London
Dauntsey House
4B Frederick's Place
London EC2R 8AB

