

**THIRD SUPPLEMENT DATED 30 MAY 2018 TO THE PROSPECTUS DATED 7  
FEBRUARY 2018 AS SUPPLEMENTED BY THE FIRST SUPPLEMENT DATED 28  
FEBRUARY 2018 AND THE SECOND SUPPLEMENT DATED 27 APRIL 2018**



**THE BANK OF NOVA SCOTIA**

(a Canadian chartered Bank)

**\$36,000,000,000**

**Global Registered Covered Bond Program**

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

**SCOTIABANK COVERED BOND GUARANTOR LIMITED PARTNERSHIP**

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

The Bank of Nova Scotia (the “**Bank**”) issued a prospectus dated 7 February 2018 (as supplemented by the first supplement to such prospectus dated 28 February 2018 and second supplement to such prospectus dated 27 April 2018) (such prospectus as supplemented, the “**Prospectus**”) which is a base prospectus for the purposes of Article 5.4 of the Prospectus Directive (2003/71/EC) as amended (which includes the amendments made by Directive 2010/73/EU) (the “**Prospectus Directive**”). This third supplement (the “**Third Supplement**”) constitutes a supplement in respect of the Prospectus for the purposes of the Prospectus Directive and Section 87G of the Financial Services and Markets Act 2000, and is prepared in connection with the \$36,000,000,000 Global Registered Covered Bond Program unconditionally and irrevocably guaranteed as to payments of interest and principal by Scotiabank Covered Bond Guarantor Limited Partnership (the “**Guarantor**”) (the “**Program**”) established by the Bank.

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

Each of the Bank and the Guarantor accepts responsibility for the information contained in this Third Supplement. To the best of the knowledge of each of the Bank and the Guarantor (having taken all reasonable care to ensure that such is the case), the information contained in this Third Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

**1. Purpose of the Third Supplement**

The purpose of this Third Supplement is to (a) incorporate by reference the Bank’s comparative unaudited interim consolidated financial statements and management’s discussion and analysis for the three and six month periods ended 30 April 2018, as set out in the Bank’s 2018 Second Quarter Report to Shareholders, prepared in accordance with International Financial Reporting Standards (“**IFRS**”), (b) to update the “General Information” section of the Prospectus in relation to any significant change in the financial or trading position or material adverse change in the prospects of the Bank and its subsidiaries, each as described in further detail below and (c) to update the “Risk Factors” section of the

Prospectus relating to regulations under the Canada Deposit Insurance Corporation Act and the Bank Act (Canada) providing the final details of conversion, issuance and compensation regimes for bail-in instruments issued by domestic systemically important banks, including the Bank (collectively, the “**Bail-In Regulations**”).

## **2. Comparative Unaudited Interim Consolidated Financial Statements and Management’s Discussion and Analysis as at and for the Three and Six Month Periods Ended 30 April 2018**

On 29 May 2018, the Bank published its comparative unaudited interim consolidated financial statements for the three and six month periods ended 30 April 2018 prepared in accordance with IFRS, together with the auditors’ report thereon and management’s discussion and analysis for the three and six month periods ended 30 April 2018, set out on pages 3 through 69 of the Bank’s 2018 Second Quarter Report to Shareholders. The remainder of the Bank’s 2018 Second Quarter Report to Shareholders is not incorporated and is either covered elsewhere in the Prospectus or deemed not relevant to investors.

## **3. Documents Incorporated by Reference**

A copy of the Bank’s 2018 Second Quarter Report to Shareholders has been filed with the Financial Conduct Authority and, by virtue of this Third Supplement, pages 3 through 69 of the Bank’s 2018 Second Quarter Report to Shareholders are incorporated in, and form part of the Prospectus for the purposes of Article 5.4 of the Prospectus Directive.

To the extent that any document or information incorporated by reference or attached to this Third Supplement itself incorporates any other documents or information by reference therein, either expressly or implicitly, such other documents or information will not form part of this Third Supplement for the purposes of the Prospectus Directive except where such other documents or information are specifically incorporated by reference or attached to this Third Supplement.

## **4. General Information**

There has been no significant change in the financial or trading position of the Bank and its subsidiaries taken as a whole since 30 April 2018, being the date of the latest unaudited interim consolidated financial statements of the Bank for the three and six month periods ended 30 April 2018, and no material adverse change in the prospects of the Bank and its subsidiaries taken as a whole since 31 October 2017, being the date of the latest audited published consolidated financial statements of the Bank.

## **5. Bank Recapitalization (Bail-In) Regime Risk Factor**

The subsection of the “Risk Factors” section of the Prospectus titled “Proposed Bail-in Regulations”, set out on pages 42 to 43, shall be deleted in its entirety and replaced with the following:

“On June 22, 2016, legislation came into force amending the Bank Act and the CDIC Act and certain other federal statutes pertaining to banks to create a bail-in regime for Canada’s domestic systemically important banks, which include the Bank. On April 18, 2018, the Government of Canada published regulations under the CDIC Act and the Bank Act providing the final details of conversion, issuance and compensation regimes for bail-in

instruments issued by domestic systemically important banks, including the Bank (collectively, the **Bail-In Regulations**). Pursuant to the CDIC Act, in circumstances where the Superintendent of Financial Institutions has determined that the Bank has ceased, or is about to cease, to be viable, the Governor in Council may, upon a recommendation of the Minister of Finance that he or she is of the opinion that it is in the public interest to do so, grant an order directing CDIC to convert all or a portion of certain shares and liabilities of the Bank into common shares of the Bank (a **Bail-In Conversion**).

The Bail-In Regulations prescribe the types of shares and liabilities that will be subject to a Bail-In Conversion. In general, any senior debt with an initial or amended term to maturity (including explicit or embedded options) greater than 400 days, that is unsecured or partially secured and has been assigned a CUSIP or ISIN or similar identification number would be subject to a Bail-In Conversion. Shares, other than common shares, and subordinated debt would also be subject to a Bail-In Conversion, unless they are non-viability contingent capital. Under the Bail-In Regulations certain debt obligations, such as structured notes, certain derivatives and covered bonds, including the Covered Bonds issued by the Bank under this Program, would not be subject to a Bail-in Conversion. Notwithstanding the above, any shares and liabilities issued before the date the Bail-In Regulations come into force, would not be subject to a Bail-In Conversion, unless, in the case of a liability, the terms of such liability are, on or after that date, amended to increase its principal amount or to extend its term to maturity and the liability, as amended, meets the requirements to be subject to a Bail-In Conversion.

The Bank Recapitalization (Bail-in) Conversion Regulations and the Bank Recapitalization (Bail-in) Issuance Regulations will come into force on September 23, 2018, and the Compensation Regulations came into force on March 26, 2018.”

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

Save as disclosed in this Third Supplement and any supplement to the Prospectus previously issued, no significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus which is capable of affecting the assessment of Covered Bonds issued under the Program has arisen or been noted, as the case may be, since the publication of the Prospectus.

Copies of this Third Supplement, the Prospectus and the documents incorporated by reference in either this Third Supplement or the Prospectus can be (i) viewed on the website of the Regulatory News Service operated by the London Stock Exchange at [www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html) under the name of the Bank and the headline “Publication of Prospectus”, (ii) viewed on the website of the National Storage Mechanism at [www.morningstar.co.uk/uk/NSM](http://www.morningstar.co.uk/uk/NSM) and (iii) obtained on written request and without charge from (a) the principal executive offices of the Bank from the Executive Vice-President and General Counsel, The Bank of Nova Scotia, Scotia Plaza, 40 King Street West, Toronto, Ontario M5H 1H1, Canada, and (b) from the offices of the Principal Paying Agent, Registrar and Transfer Agent, The Bank of Nova Scotia, London Branch, 201 Bishopsgate, 6th Floor, London EC2M 3NS so long as any of the Covered Bonds issued under the Prospectus and listed on the London Stock Exchange’s Regulated Market are outstanding.