

Prospectus Supplement

To the Short Form Base Shelf Prospectus Dated June 27, 2014

This prospectus supplement, together with the short form base shelf prospectus dated June 27, 2014 to which it relates, as further amended or supplemented, and each document incorporated by reference into this prospectus supplement or the accompanying prospectus, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and, subject to certain exceptions, may not be offered, sold, or delivered, directly or indirectly, in the United States of America, its territories or possessions, or for the account or benefit of U.S. persons. See "Plan of Distribution".

Information has been incorporated by reference in this prospectus supplement and the accompanying prospectus from documents filed with the securities commissions or similar authorities in Canada. See "Documents Incorporated by Reference". Copies of the documents incorporated herein or therein by reference may be obtained on request without charge from the Executive Vice-President, General Counsel and Secretary, The Bank of Nova Scotia, Scotia Plaza, 44 King Street West, Toronto, Ontario M5H 1H1, telephone: (416) 866-3672 and are also available electronically at www.sedar.com.

New Issue



March 23, 2015

THE BANK OF NOVA SCOTIA

\$1,250,000,000

2.58% Debentures due 2027

(subordinated indebtedness)

The Debentures offered by this prospectus supplement will be dated March 30, 2015 and will mature on March 30, 2027. Interest on such Debentures at the rate of 2.58% per annum will be payable in equal semi-annual payments in arrears on March 30 and September 30 in each year, commencing September 30, 2015 and continuing until March 30, 2022. The initial interest payment, payable on September 30, 2015, will be \$12.90 per \$1,000 principal amount of Debentures, based on an anticipated closing date of March 30, 2015. From March 30, 2022 until maturity on March 30, 2027, interest on such Debentures will be payable at an annual rate equal to the 90-day Bankers' Acceptance Rate (as defined herein) plus 1.19% payable quarterly in arrears on the 30th day of each of March, June, September and December in each year, commencing June 30, 2022. Reference is made to "Details of the Offering – Interest".

On or after March 30, 2022, the Debentures offered by this prospectus supplement are redeemable by The Bank of Nova Scotia (the "**Bank**"), at its option, with the prior written approval of the Superintendent of Financial Institutions (Canada) (the "**Superintendent**"), in whole at any time or in part from time to time at a redemption price which is equal to par, plus accrued and unpaid interest to, but excluding, the date fixed for redemption. Reference is made to "Details of the Offering – Redemption".

Upon the occurrence of a Trigger Event (as defined herein), each outstanding Debenture will automatically and immediately be converted, without the consent of the holders thereof, into that number of fully-paid common shares of the Bank (the "Common Shares") determined by dividing \$1,000 plus any accrued and unpaid interest in respect of such Debenture by the Conversion Price (as defined herein). Investors should therefore carefully consider the disclosure with respect to the Bank, the Debentures and the consequences of a Trigger Event contained herein and in the accompanying short form base shelf prospectus of the Bank dated June 27, 2014 (the "Prospectus"). See "Details of the Offering – NVCC Automatic Conversion".

	Price to the Public	Agents' Fee ⁽¹⁾	Net Proceeds to the Bank ⁽²⁾⁽³⁾
Per \$1,000 principal amount of Debentures	\$999.75 ⁽⁴⁾	\$3.70	\$996.05
Total	<u>\$1,249,687,500</u>	<u>\$4,625,000</u>	<u>\$1,245,062,500</u>

(1) Consisting of an agency fee of \$3.70 per \$1,000 principal amount of Debentures.

(2) Plus accrued interest, if any, from March 30, 2015 to the date of delivery.

(3) Before deduction of expenses of issue estimated at \$600,000.

(4) **The effective yield of the Debentures, if held to March 30, 2022 will be 2.584%. Thereafter, the effective yield will fluctuate with the interest rate.**

Scotia Capital Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., National Bank Financial Inc., RBC Dominion Securities Inc., TD Securities Inc., Desjardins Securities Inc., Citigroup Global Markets Canada Inc., J.P. Morgan Securities Canada Inc., Laurentian Bank Securities Inc, Manulife Securities Incorporated, Merrill Lynch Canada Inc. and UBS Securities Canada Inc.(collectively, the “**Agents**”) have agreed to use their reasonable best efforts to obtain purchasers for the Debentures offered by this prospectus supplement from the Bank at 100% of their principal amount subject to the terms and conditions set forth in the Agency Agreement referred to under “Plan of Distribution” and subject to the approval of certain legal matters on behalf of the Bank by Osler, Hoskin & Harcourt LLP and on behalf of the Agents by Torys LLP, and will receive an aggregate fee of \$4,625,000, assuming the full amount of the Debentures offered are sold. In the event the full amount of the Debentures is not sold, the fee paid to the Agents will be pro-rated accordingly. **Scotia Capital Inc., one of the Agents, is an indirect wholly owned subsidiary of the Bank. Therefore, the Bank is a related and connected issuer of Scotia Capital Inc. under applicable securities legislation.** Reference is made to “Plan of Distribution”.

It is not currently anticipated that the Debentures will be listed on any stock exchange or quotation system and consequently, there is no market through which the Debentures may be sold and purchasers may not be able to resell the Debentures purchased under this prospectus supplement. This may affect the pricing of the Debentures in the secondary market, the transparency and availability of their trading prices, the liquidity of the Debentures and the extent of issuer regulation. See “Risk Factors.”

The Debentures offered by this prospectus supplement will be the Bank’s direct unsecured obligations constituting subordinated indebtedness for the purposes of the *Bank Act* (Canada) (the “Bank Act**”) and will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* (Canada) or any other deposit insurance scheme.**

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.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that closing will take place on March 30, 2015 or such later date as may be agreed upon, but in any event not later than April 6, 2015. A “book-entry only” certificate representing the Debentures distributed under this prospectus supplement will be issued in registered form to CDS Clearing and Depository Services Inc. (“**CDS**”), or its nominee, and will be deposited with CDS on closing of this offering. No physical certificates representing the Debentures will be issued to purchasers, except in limited circumstances, and registration will be made in the depository service of CDS. A purchaser of Debentures will receive only a customer confirmation from the registered dealer who is a CDS participant and from or through whom the Debentures are purchased. Reference is made to “Book-entry Only Securities”.

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About this Prospectus Supplement

This document consists of two parts, the first part is this prospectus supplement, which describes the specific terms of this offering. The second part, the Prospectus, gives more general information, some of which may not apply to this offering. If information in this prospectus supplement is inconsistent with the Prospectus, investors should rely on the information in this prospectus supplement. This prospectus supplement, the Prospectus and the documents incorporated by reference into each of them include important information about the Bank, the Debentures being offered and other information investors should know before investing in the Debentures.

Forward-looking Statements

The Bank's public communications often include oral or written forward-looking statements. Statements of this type are included in this document, and may be included in other filings with Canadian securities regulators or the U.S. Securities and Exchange Commission, or in other communications. All such statements are made pursuant to the "safe harbour" provisions of the United States Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements made in this document, the 2014 Annual MD&A (as defined below) under the headings "Overview – Outlook", for Group Financial Performance "Outlook", for each business segment "Outlook" and in other statements regarding the Bank's objectives, strategies to achieve those objectives, expected financial results (including those in the area of risk management), and the outlook for the Bank's businesses and for the Canadian, United States and global economies. Such statements are typically identified by words or phrases such as "believe," "expect," "anticipate," "intent," "estimate," "plan," "may increase," "may fluctuate," and similar expressions of future or conditional verbs such as "will," "should," "would" and "could."

By their very nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, and the risk that predictions and other forward-looking statements will not prove to be accurate. Do not unduly rely on forward-looking statements, as a number of important factors, many of which are beyond the Bank's control, could cause actual results to differ materially from the estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to: the economic and financial conditions in Canada and globally; fluctuations in interest rates and currency values; liquidity; significant market volatility and interruptions; the failure of third parties to comply with their obligations to the Bank and its affiliates; the effect of changes in monetary policy; legislative and regulatory developments in Canada and elsewhere, including changes in tax laws; the effect of changes to the Bank's credit ratings; amendments to, and interpretations of, risk-based capital guidelines and reporting instructions and liquidity regulatory guidance; operational and reputational risks; the risk that the Bank's risk management models may not take into account all relevant factors; the accuracy and completeness of information the Bank receives on customers and counterparties; the timely development and introduction of new products and services in receptive markets; the Bank's ability to expand existing distribution channels and to develop and realize revenues from new distribution channels; the Bank's ability to complete and integrate acquisitions and its other growth strategies; changes in accounting policies and methods the Bank uses to report its financial condition and financial performance, including uncertainties associated with critical accounting assumptions and estimates (see "Controls and Accounting Policies – Critical accounting estimates" in the 2014 Annual MD&A, as updated by quarterly reports); the effect of applying future accounting changes (see "Controls and Accounting Policies – Future accounting developments" in the 2014 Annual MD&A, as updated by quarterly reports); global capital markets activity; the Bank's ability to attract and retain key executives; reliance on third parties to provide components of the Bank's business infrastructure; unexpected changes in consumer spending and saving habits; technological developments; fraud by internal or external parties, including the use of new technologies in unprecedented ways to defraud the Bank or its customers; increasing cyber security risks which may include theft of assets, unauthorized access to sensitive information or operational disruption; consolidation in the Canadian financial services sector; competition, both from new entrants and established competitors; judicial and regulatory proceedings; acts of God, such as earthquakes and hurricanes; the possible impact of international conflicts and other developments, including terrorist acts and war on terrorism; the effects of disease or illness on local, national or international economies; disruptions to public infrastructure, including transportation, communication, power and water; and the Bank's anticipation of and success in managing the risks implied by the foregoing. A substantial amount of the Bank's business involves making loans or otherwise committing resources to specific companies, industries or countries. Unforeseen events affecting such borrowers, industries or countries could have a material adverse effect on the Bank's financial results, businesses, financial condition or liquidity. These and other factors may cause the Bank's actual performance to differ materially from that contemplated by

forward-looking statements. For more information, see the “Risk Management” section starting on page 65 of the 2014 Annual MD&A, which is incorporated by reference herein.

Material economic assumptions underlying the forward-looking statements are set out in the 2014 Annual MD&A under the heading “Overview – Outlook,” as updated by quarterly reports; and for each business segment “Outlook”. The “Outlook” sections in the 2014 Annual MD&A are based on the Bank’s views and the actual outcome is uncertain. Readers should consider the above-noted factors when reviewing these sections.

The preceding list of important factors is not exhaustive. When relying on forward-looking statements to make decisions with respect to the Bank and its securities, investors and others should carefully consider the preceding factors, other uncertainties and potential events. The Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf.

Documents Incorporated by Reference

This prospectus supplement is deemed to be incorporated by reference into the Prospectus solely for the purpose of the Debentures offered by this prospectus supplement. Other documents are also incorporated or deemed incorporated by reference in the Prospectus and reference should be made to the Prospectus for full particulars. The following documents have been filed with the securities regulatory authorities in each province and territory of Canada and are specifically incorporated by reference into, and form an integral part of, this prospectus supplement:

- (a) the Bank’s annual information form dated December 5, 2014, for the year ended October 31, 2014;
- (b) the Bank’s management proxy circular attached to the notice of meeting dated February 10, 2015;
- (c) the Bank’s condensed interim consolidated financial statements (unaudited) and management’s discussion and analysis of financial condition and results of operations for the three months ended January 31, 2015 (the “**2015 First Quarter MD&A**”);
- (d) the Bank’s consolidated statements of financial position as at October 31, 2014 and 2013 and the consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended October 31, 2014, together with the auditors’ report thereon;
- (e) the Bank’s management’s discussion and analysis of financial condition and results of operations for the year ended October 31, 2014 (the “**2014 Annual MD&A**”); and
- (f) the template version (as defined in National Instrument 41-101 — General Prospectus Requirements (“NI 41-101”)) of the indicative term sheet dated March 23, 2015 (the “**Indicative Term Sheet**”) and the final term sheet dated March 23, 2015 (the “**Final Term Sheet**”), in each case filed on SEDAR in connection with this offering.

Any documents of the type described in Section 11.1 of Form 44-101F1 — Short Form Prospectus Distributions filed by the Bank and any template version of “marketing materials” (as defined in NI 41-101) that the Bank files with the Canadian securities regulatory authorities after the date of this prospectus supplement and prior to the termination of the distribution of the Debentures under this prospectus supplement shall be deemed to be incorporated by reference in the Prospectus or this prospectus supplement, as applicable. Any marketing materials, including the Indicative Term Sheet and the Final Term Sheet, are not part of this prospectus supplement to the extent that the contents of the marketing materials have been modified or superseded by a statement contained in this prospectus supplement or an amendment to this prospectus supplement.

Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus supplement or the Prospectus or contemplated in this prospectus supplement or the Prospectus will be deemed to be modified or superseded for the purposes of this prospectus supplement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be

incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed to be an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement.

Currency Information

Unless otherwise indicated, all dollar amounts appearing in this prospectus supplement are stated in Canadian dollars.

Consolidated Capitalization of the Bank

The following table sets forth the consolidated capitalization of the Bank as at January 31, 2015, before and after giving effect to the sale by the Bank of the Debentures offered by this prospectus supplement. The following table should be read in conjunction with the Bank's condensed interim consolidated financial statements (unaudited) and management's discussion and analysis of financial condition and results of operations for the three months ended January 31, 2015.

	As at January 31, 2015	Adjusted as at January 31, 2015⁽¹⁾
	(in millions of Canadian dollars)	(in millions of Canadian dollars)
Subordinated Debentures	\$ 4,973	\$ 6,223
Equity		
Common Equity		
Common Shares	15,173	15,173
Retained Earnings	29,103	29,103
Accumulated Other Comprehensive Income	2,436	2,436
Other Reserves	181	181
Total Common Equity	<u>46,893</u>	<u>46,893</u>
Preferred Shares	2,934	2,934
Total Equity Attributable to Equity Holders of the Bank	<u>49,827</u>	<u>49,827</u>
Non-controlling Interests in Subsidiaries	<u>1,354</u>	<u>1,354</u>
Total Equity	<u>51,181</u>	<u>51,181</u>
Total Capitalization	<u>\$ 56,154</u>	<u>\$ 57,404</u>

(1) Adjusted to give effect to the sale by the Bank of the Debentures contemplated by this prospectus supplement.

Details of the Offering

The following is a summary of certain of the material attributes and characteristics of the Debentures offered by this prospectus supplement, which does not purport to be complete. Reference is made to the Trust Indenture referred to below for the full text of such attributes and characteristics.

General

The Debentures offered by this prospectus supplement will be issued under and pursuant to the provisions of a trust indenture (the "**Trust Indenture**") to be dated as of March 30, 2015 between the Bank and Computershare Trust

Company of Canada, as trustee (the “**Trustee**”). Such Debentures will be limited to \$1,250,000,000 aggregate principal amount, will be dated March 30, 2015 and will mature on March 30, 2027.

The Debentures will be the Bank’s direct unsecured obligations, constituting subordinated indebtedness for the purpose of the Bank Act, ranking equally and rateably with all of the Bank’s other subordinated indebtedness from time to time issued and outstanding. In the event of the Bank’s insolvency or winding-up, the Bank’s subordinated indebtedness, including the Debentures, will be subordinate in right of payment to the prior payment in full of any of the Bank’s deposit liabilities and all other Indebtedness (as defined herein), other than Aggregate Bank Subordinated Indebtedness (as defined herein), except Indebtedness which by its terms ranks equally in right of payment with, or is subordinate to, such subordinated indebtedness. If an NVCC Automatic Conversion (as defined herein) occurs, the rights, terms and conditions of the Debentures, including with respect to priority and subordination, will no longer be relevant as all the Debentures will have been converted into Common Shares which will rank on parity with all other outstanding Common Shares.

Subject to regulatory capital requirements applicable to the Bank, there is no limit on the amount of subordinated indebtedness the Bank may issue. Notwithstanding any provision of the Trust Indenture, the Bank may not, without the prior approval of the Superintendent, amend or vary terms of the Debentures that would affect the recognition of the Debentures as regulatory capital under capital adequacy requirements adopted by the Superintendent.

The Debentures will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act (Canada)* or any other deposit insurance scheme.

Interest

Interest on the Debentures offered by this prospectus supplement at the rate of 2.58% per annum (calculated on an unadjusted basis with a day count fraction of 30/360) will be payable in equal semi-annual payments in arrears on the 30th day of March and September in each year, commencing on September 30, 2015 and continuing until March 30, 2022. During this period, any overdue interest will bear the same interest rate after as well as before default in the payment of principal or interest, as applicable. The initial interest payment, payable on September 30, 2015, will be \$12.90 per \$1,000 principal amount of Debentures, based on an anticipated closing date of March 30, 2015. From March 30, 2022 until maturity on March 30, 2027, interest on such Debentures will be payable at a rate per annum equal to the 90-day Bankers’ Acceptance Rate plus 1.19%, payable quarterly in arrears on the 30th day of each of March, June, September and December in each year (“**Interest Payment Dates**”), commencing June 30, 2022. During this period, any overdue interest in respect of any quarterly interest period will bear the same interest rate applicable to such quarterly interest period after as well as before maturity and after as well as before default in the payment of principal or interest, as applicable. If any of the aforesaid dates upon which interest on such Debentures is payable is not a Business Day (as defined herein), such interest will be payable on the next Business Day thereafter.

The Trust Indenture will contain definitions substantially to the following effect:

“**90-day Bankers’ Acceptance Rate**”, for any quarterly floating rate interest period, will mean the average bid rate of interest (expressed as an annual percentage rate) rounded down to the nearest one hundred thousandth of 1% (with 0.000005% being rounded up) for Canadian dollar bankers’ acceptances with maturities of 90 days which appears on the Reuters Screen CDOR Page as of 10:00 a.m. (Toronto time) on the first Business Day of such period, provided that if such rate does not appear on the Reuters Screen CDOR Page on such day, the 90-day Bankers’ Acceptance Rate for such period will be the average of the bid rates of interest (expressed as an annual percentage rate and rounded as set forth above) for Canadian dollar bankers’ acceptances with maturities of 90 days for same day settlement as quoted by such of the Schedule I Canadian chartered banks as may quote such a rate as of 10:00 a.m. (Toronto time) on the first Business Day of such period;

“**Business Day**” will mean a day on which Canadian chartered banks are open for business in Toronto, Ontario, other than a Saturday, Sunday or statutory or civic holiday in Toronto, Ontario; and

“**Reuters Screen CDOR Page**” will mean the display designated as page “CDOR” on the Reuters Monitor Money Rates Service (or such other page as may replace the CDOR page on that service) for purposes of displaying Canadian dollar bankers’ acceptance rates.

Redemption

On or after March 30, 2022, the Bank may, at its option, with the prior written approval of the Superintendent, redeem the Debentures offered by this prospectus supplement, in whole at any time or in part from time to time on not less than 30 nor more than 60 days’ prior notice, at a redemption price which is equal to par, plus accrued and unpaid interest to, but excluding, the date fixed for redemption.

In cases of partial redemption, the Debentures to be redeemed will be selected by the Trustee on a pro rata basis or in such other manner as it shall deem equitable. Any Debentures offered by this prospectus supplement that are redeemed by the Bank will be cancelled and will not be re-issued.

Purchase for Cancellation

The Debentures may be purchased at any time, in whole or in part, by the Bank. The purchases may be made in the open market or by tender or private contract at any price. Any such purchases will require approval of the Superintendent. Debentures purchased by the Bank will be cancelled and will not be re-issued. Notwithstanding the foregoing, any subsidiary of the Bank may purchase Debentures in the ordinary course of its business of dealing in securities.

Events of Default

The Trust Indenture will provide that an event of default in respect of the Debentures will occur only if the Bank becomes bankrupt or insolvent or becomes subject to the provisions of the *Winding-up and Restructuring Act* (Canada), consents to the institution of bankruptcy or insolvency proceedings against it, resolves to wind-up, liquidate or dissolve, is ordered wound-up or otherwise acknowledges its insolvency.

If an event of default has occurred and is continuing in respect of the Debentures, the Trustee may, in its discretion and will, upon the request of holders of not less than 25% of the principal amount of the Debentures outstanding, declare the principal of and interest on all outstanding Debentures to be immediately due and payable. If any provisions of the Bank Act or any rules, regulations, orders or guidelines passed pursuant thereto or in connection therewith or guidelines issued by the Superintendent in relation thereto limit the payment of such unpaid principal and interest before a specified time, the obligation of the Bank to make such payment will be subject to such limitation. The holders of more than 50% in principal amount of the Debentures then outstanding under the Trust Indenture (in addition to the powers of holders exercisable by an Extraordinary Resolution (as defined herein)) may, in some circumstances, direct the Trustee to cancel or annul the acceleration and waive the default. Subject to any such waiver, if the Bank fails to pay on demand any principal or interest declared by the Trustee to be due and payable together with other amounts due under the Trust Indenture following an event of default, the Trustee may in its discretion, and must upon receiving the written direction of holders of not less than 25% in principal amount of Debentures then outstanding under the Trust Indenture, and upon being indemnified to its reasonable satisfaction against all costs, expenses and liabilities to be incurred, proceed to obtain or enforce payment of the amounts due and payable together with other amounts due under the Trust Indenture by any remedy provided by law either by legal proceedings or otherwise.

Holders of the Debentures may, by an Extraordinary Resolution, direct, control or authorize the actions of the Trustee or of any holder of Debentures bringing an action after the failure of the Trustee to act in any proceedings against the Bank. Whenever an event of default has occurred, the Trustee, in the exercise of its discretion, may proceed to enforce the rights of the Trustee and the holders of the Debentures by any action, suit, remedy or proceeding authorized or permitted by law or by equity and may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and holders of the Debentures lodged in any bankruptcy, insolvency, winding-up or other judicial proceedings relative to the Bank.

There will be no right of acceleration in the case of a default in the performance of any covenant of the Bank in the Trust Indenture, although a legal action could be brought to enforce such covenant.

Modification and Waiver of the Debentures

There are two types of changes the Bank will be able to make to the Trust Indenture or the Debentures.

Changes Requiring an Extraordinary Resolution. The first type of change to the Trust Indenture or the Debentures will require approval of the holders by an Extraordinary Resolution. “**Extraordinary Resolution**” will be defined in the Trust Indenture to mean a resolution of the holders of the Debentures at a meeting of such holders at which holders of at least 25% of the principal amount of the Debentures then outstanding are present in person or by proxy and passed by the favourable votes of holders of not less than 66^{2/3}% of the principal amount of Debentures represented at the meeting. All actions that may be taken by the holders of Debentures at a meeting of such holders may also be taken in writing by the holders of not less than 66^{2/3}% of the principal amount of all outstanding Debentures. Most changes to the Trust Indenture fall into this category except for clarifying changes and certain other changes that would not adversely affect in any material respect holders of Debentures.

Changes Not Requiring Approval. The second type of change to the Trust Indenture or the Debentures will not require any vote by holders of Debentures under the Trust Indenture. This type is limited to clarifications and certain other changes that would not adversely affect in any material respect the interests of the holders of the Debentures or the rights and powers of the Trustee.

Any deletion, addition or variation of the terms and conditions of the Debentures which might affect the classification afforded the Debentures under the capital adequacy requirements pursuant to the Bank Act and the regulations and guidelines thereunder will require the prior approval of the Superintendent.

The Debentures will not be considered outstanding, and therefore not eligible to vote, if the Bank has given a notice of redemption and deposited or set aside in trust for the holders money for the redemption of the Debentures.

The Bank will generally be entitled to set any day as a record date for the purpose of determining the holders of outstanding Debentures that are entitled to vote or take other action under the Trust Indenture. In certain limited circumstances, the Trustee will be entitled to set a record date for action by holders of Debentures. The Bank or the Trustee, as applicable, may shorten or lengthen this period from time to time.

Restriction on Other Indebtedness

The Bank will not create, issue or incur any Indebtedness subordinate in right of payment to the deposit liabilities of the Bank which, in the event of the insolvency or winding-up of the Bank, would rank in right of payment in priority to the Debentures.

The Trust Indenture will contain definitions substantially to the following effect:

“**Aggregate Bank Subordinated Indebtedness**” will mean:

- (a) the liability of the Bank in respect of the principal of and interest on the Debentures and the principal of and premium, if any, and interest on the debentures or notes issued under any existing trust indentures;
- (b) any Indebtedness which ranks equally with and not prior to (x) the Debentures, and (y) the debentures or notes issued under any existing trust indentures in right of payment upon the insolvency or winding-up of the Bank and which, pursuant to the terms of the instrument evidencing or creating the same, is expressed to be subordinate in right of payment to all other Indebtedness to which the Debentures are subordinate in right of payment to at least the same extent as the Debentures are made junior and subordinate thereto by the provisions of the Trust Indenture; and

- (c) any Indebtedness which ranks subordinate to and not equally with or prior to (x) the Debentures, and (y) the debentures or notes issued under any existing trust indentures in right of payment upon the insolvency or winding-up of the Bank and which, pursuant to the terms of the instrument evidencing or creating the same, is expressed to be subordinate in right of payment to all other Indebtedness to which the Debentures are subordinate in right of payment to at least the same extent as the Debentures are made junior and subordinate thereto by the provisions of the Trust Indenture (“**Junior Indebtedness**”).

“**Indebtedness**” will be defined in the Trust Indenture to mean all deposit liabilities of the Bank and all other liabilities and obligations of the Bank which in accordance with the accounting rules established for Canadian chartered banks issued under the authority of the Superintendent pursuant to the Bank Act or with generally accepted accounting principles (the primary source of which is the Handbook of the Canadian Institute of Chartered Accountants), as the case may be, would be included in determining the total liabilities of the Bank at such time, other than liabilities for paid-up capital, contributed surplus, retained earnings and general reserves of the Bank.

Covenants

Pursuant to the Trust Indenture, the Bank will covenant with the Trustee for the benefit of the Trustee and the holders of Debentures that, so long as any Debenture remains outstanding, the Bank (i) will duly and punctually pay all amounts as they become due; (ii) will, subject to certain exceptions, maintain its corporate existence and its right to carry on the business of banking; (iii) will keep proper books of account and, whenever it is required in writing by the Trustee, file with the Trustee copies of all annual and other periodic reports of the Bank furnished to its shareholders; and (iv) will not create any Junior Indebtedness which, pursuant to the terms of the instrument evidencing or creating the same, has a right attached thereto, in favour of the holders thereof (the “**Junior Right**”), to cause the principal amount thereof to become due and payable prior to the later of its stated maturity or the expiration of any applicable grace period, or otherwise than at the option of the Bank, unless and until such a right or remedy in respect of the Debentures is exercisable and unless and until the Trustee, in its discretion, or upon the direction of the holders of Debentures, has exercised any such right or remedy in respect of the Debentures prior to the exercise of the Junior Right.

NVCC Automatic Conversion

Upon the occurrence of a Trigger Event (as defined below), each outstanding Debenture will automatically and immediately be converted, on a full and permanent basis, without the consent of the holder thereof, into a number of fully-paid Common Shares equal to $(\text{Multiplier} \times \text{Debenture Value}) \div \text{Conversion Price}$ (an “**NVCC Automatic Conversion**”). For the purposes of the foregoing:

“**Debenture Value**” means, in respect of each Debenture, \$1,000 plus accrued and unpaid interest on such Debenture.

“**Conversion Price**” means the greater of (i) the Floor Price, and (ii) the Current Market Price.

“**Current Market Price**” means the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange (the “**TSX**”) or, if not then listed on the TSX, on another exchange or market chosen by the board of directors of the Bank on which the Common Shares are then traded, for the 10 consecutive trading days ending on the trading day immediately prior to the date on which the Trigger Event occurs. If no such trading prices are available, “Current Market Price” shall be the Floor Price.

“**Floor Price**” means \$5.00 subject to adjustment in the event of (i) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of Common Shares as a stock dividend, (ii) the subdivision, redivision or change of the Common Shares into a greater number of Common Shares, or (iii) the reduction, combination or consolidation of the Common Shares into a lesser number of Common Shares. The adjustment shall be calculated to the nearest one-tenth of one cent provided that no adjustment of the Floor Price shall be required unless such adjustment would require an increase or decrease of at least 1% of the Floor Price then in effect; provided, however, that in such case any adjustment that would otherwise be required to be made

will be carried forward and will be made at the time of and together with the next subsequent adjustment which, together with any adjustments so carried forward, will amount to at least 1% of the Floor Price.

“**Multiplier**” means 1.5.

“**Trigger Event**” has the meaning set out in the Office of the Superintendent of Financial Institutions Canada (“**OSFI**”), Guideline for Capital Adequacy Requirements (CAR), Chapter 2 - Definition of Capital, dated December, 2014, as such term may be amended or superseded by OSFI from time to time, which term currently provides that each of the following constitutes a Trigger Event:

- the Superintendent publicly announces that the Bank has been advised, in writing, that the Superintendent is of the opinion that the Bank has ceased, or is about to cease, to be viable and that, after the conversion of all contingent instruments and taking into account any other factors or circumstances that are considered relevant or appropriate, it is reasonably likely that the viability of the Bank will be restored or maintained; or
- a federal or provincial government in Canada publicly announces that the Bank has accepted or agreed to accept a capital injection, or equivalent support, from the federal government or any provincial government or political subdivision or agent or agency thereof without which the Bank would have been determined by the Superintendent to be non-viable.

In any case where the aggregate number of Common Shares to be issued to a holder of Debentures pursuant to an NVCC Automatic Conversion includes a fraction of a Common Share, such number of Common Shares to be issued to such holder shall be rounded down to the nearest whole number of Common Shares and no cash payment shall be made in lieu of such fractional Common Share. Notwithstanding any other provision of the Debentures, the conversion of the Debentures shall not be an event of default and the only consequence of a Trigger Event under the provisions of the Debentures will be the conversion of such Debentures into Common Shares. Upon an NVCC Automatic Conversion, any accrued and unpaid interest, together with the principal amount of the Debentures, will be deemed paid in full by the issuance of Common Shares upon such conversion and the holders of Debentures shall have no further rights and the Bank shall have no further obligations under the Trust Indenture. If tax is required to be withheld from such payment of interest in the form of Common Shares, the number of Common Shares received by a holder will reflect an amount net of any applicable withholding tax.

In the event of a capital reorganization, consolidation, merger or amalgamation of the Bank or comparable transaction affecting the Common Shares, the Bank will take necessary action to ensure that holders of the Debentures receive, pursuant to an NVCC Automatic Conversion, the number of Common Shares or other securities that such holders would have received if the NVCC Automatic Conversion occurred immediately prior to the record date for such event.

Right Not to Deliver Common Shares upon NVCC Automatic Conversion

Upon an NVCC Automatic Conversion, the Bank reserves the right not to deliver some or all, as applicable, of the Common Shares issuable thereupon to any person whom the Bank or its transfer agent has reason to believe is an Ineligible Person (as defined below) or any person who, by virtue of the operation of the NVCC Automatic Conversion, would become a Significant Shareholder (as defined below) through the acquisition of Common Shares. In such circumstances, the Bank will hold, as agent for such persons, the Common Shares that would have otherwise been delivered to such persons and will attempt to facilitate the sale of such Common Shares to parties other than the Bank and its affiliates on behalf of such persons through a registered dealer to be retained by the Bank on behalf of such persons. Those sales (if any) may be made at any time and at any price. The Bank will not be subject to any liability for failure to sell such Common Shares on behalf of such persons or at any particular price on any particular day. The net proceeds received by the Bank from the sale of any such Common Shares will be divided among the applicable persons in proportion to the number of Common Shares that would otherwise have been delivered to them upon the NVCC Automatic Conversion after deducting the costs of sale and any applicable withholding taxes. For the purposes of the foregoing:

“Ineligible Person” means (i) any person whose address is in, or whom the Bank or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada to the extent that the issuance by the Bank of Common Shares or delivery of such shares by its transfer agent to that person, pursuant to an NVCC Automatic Conversion, would require the Bank to take any action to comply with securities, banking or analogous laws of that jurisdiction, and (ii) any person to the extent that the issuance by the Bank of Common Shares, or delivery of such shares by its transfer agent to that person, pursuant to an NVCC Automatic Conversion, would, at the time of the Trigger Event, cause the Bank to be in violation of any law to which the Bank is subject.

“Significant Shareholder” means any person who beneficially owns directly, or indirectly through entities controlled by such person or persons associated with or acting jointly or in concert with such person, a percentage of the total number of outstanding shares of a class of the Bank that is in excess of that permitted by the Bank Act.

Book-entry Only Securities

Except in limited circumstances, the Debentures will be issued in “book-entry only” form and must be purchased, transferred, redeemed or exchanged through participants in the depository service of CDS. Reference is made to “Book-entry Only Securities” in the Prospectus.

Ratings

The Debentures offered by this prospectus supplement are provisionally rated “A3” by Moody’s Investors Service, Inc. (“**Moody’s**”), a subsidiary of Moody’s Corporation. Securities with an “A” rating are the third highest of the nine rating categories used by Moody’s. Obligations rated A are judged to be upper-medium grade and are subject to low credit risk. The modifier “3” indicates that the obligation ranks at the bottom of the “A” rating category.

The Debentures are provisionally rated “A (low)” by DBRS Limited (“**DBRS**”). “A” is the second highest of DBRS’s ten rating categories for long term debt obligations which range from AAA to D. Each rating category from “AA” to “C” is subject to a “high” and “low” designation to indicate the relative standing of the securities being rated within a particular rating category. Obligations that are rated “A” by DBRS are judged to be of good credit quality and the capacity for the payment of such obligations is considered substantial.

The Debentures are provisionally rated “BBB+” by Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies (Canada) Corporation (“**S&P**”) using their global scale for long term debt obligations. The “BBB” rating is the fourth highest of the ten rating categories used by S&P for long term debt, which range from AAA to D. S&P uses the “+” or “-” designations to reflect the relative strength within the rating category. Obligations that are rated “BBB” by S&P are judged to have an adequate capacity to meet financial commitments, but that the obligations are more subject to adverse economic conditions than obligations in higher rated categories.

The Bank pays annual standardized fees to each of the rating agencies to provide ratings of the Bank’s securities (including the Debentures) from time to time.

Prospective purchasers of Debentures should consult the relevant rating organization for further details with respect to the interpretation and implications of the foregoing provisional ratings. The foregoing ratings should not be construed as recommendations to buy, sell or hold the Debentures. Ratings may be revised or withdrawn at any time by the respective rating organizations.

Earnings Coverage

The Bank’s interest requirements for subordinated debentures amounted to \$236 million for the 12 months ended October 31, 2014 and \$223 million for the 12 months ended January 31, 2015, in each case calculated after giving effect to this offering. The Bank’s earnings before interest and income tax for the 12 months ended October 31, 2014 were \$9.277 billion, which was 39.31 times the Bank’s interest requirements for this period after giving effect to this offering. The Bank’s earnings before interest and income tax for the 12 months ended January 31, 2015 were \$9.290 billion, which was 41.66 times the Bank’s interest requirements for this period after giving effect to this offering. All amounts appearing under this heading, “Earnings Coverage”, for the 12 months ended October 31, 2014 are derived from

financial information which is audited and prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) except for the adjustment in respect of the effects of this offering. All amounts appearing under this heading, “Earnings Coverage”, for the 12 months ended January 31, 2015 are derived from financial information which is unaudited and prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) except for the adjustment in respect of the effects of this offering.

Certain Canadian Federal Income Tax Considerations

In the opinion of Osler, Hoskin & Harcourt LLP and Torys LLP, the following is a summary of the principal Canadian federal income tax considerations generally applicable as of the date hereof to a purchaser of the Debentures pursuant to this prospectus supplement who, within the meaning of the Income Tax Act (Canada) (the “**Act**”), is resident at all relevant times in Canada or deemed to be a resident of Canada, deals at arm’s length with the Bank, is not affiliated with the Bank and holds the Debentures and will hold Common Shares on an NVCC Automatic Conversion as capital property (a “**Holder**”).

Generally, the Debentures and the Common Shares will be capital property to a Holder provided the Holder does not acquire the Debentures or the Common Shares in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain Holders whose Debentures or Common Shares would not otherwise qualify as capital property may, in certain circumstances, be entitled to have them and all other “Canadian securities”, as defined in the Tax Act, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. This summary is not applicable to a purchaser (i) an interest in which is a “tax shelter investment”, (ii) who is a “financial institution” for purposes of the “mark-to-market” rules, (iii) who is a “specified financial institution”, (iv) who enters into a “derivative forward agreement” with respect to the Debentures or (v) who makes or has made a “functional currency” reporting election, each as defined in the Tax Act. Holders should consult their own tax advisors concerning this election.

This summary is based upon the current provisions of the Act, the regulations thereunder, all specific proposals to amend the Act and the regulations publicly announced by or on behalf of the Minister of Finance prior to the date hereof (the “**Proposals**”) and counsel’s understanding of the current administrative practices and assessing policies published in writing by the Canada Revenue Agency (the “**CRA**”) prior to the date hereof. This summary does not otherwise take into account any changes in law or in administrative practices or assessing policies, whether by legislative, administrative or judicial decision or action, nor does it take into account or consider any provincial, territorial or foreign income tax considerations, which may be different from those discussed herein. No assurance can be given that the Proposals will be enacted as proposed or at all.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular purchaser. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, prospective purchasers are urged to consult their own tax advisors with respect to their particular circumstances.

Interest on Debentures

A Holder that is a corporation, partnership, unit trust or trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year any interest on the Debenture that accrued to, or was deemed to accrue to, the Holder to the end of the year or became receivable or was received by the Holder before the end of the year, to the extent that such interest was not included in computing its income for a preceding taxation year.

A Holder (other than a Holder referred to in the previous paragraph) will be required to include in computing the Holder’s income for a taxation year any amount received or receivable (depending upon the method regularly followed by the Holder in computing income) by the Holder as interest in the year on the Debenture, to the extent that such amount was not included in computing the Holder’s income for a preceding taxation year.

Dispositions

On a disposition or deemed disposition of a Debenture (including a purchase or redemption by the Bank prior to maturity or a repayment by the Bank upon maturity) other than a disposition as the result of an NVCC Automatic Conversion, a Holder will generally be required to include in computing its income for the taxation year in which the disposition occurs the amount of interest (including any amount considered to accrue as interest) that has accrued on such Debenture to the date of disposition to the extent that such amount has not otherwise been included in computing the Holder's income for the year in which the disposition occurred or a preceding taxation year.

On a disposition of a Debenture as the result of an NVCC Automatic Conversion, the fair market value of any Common Shares issued in satisfaction of accrued and unpaid interest owing on the Debenture at the time of the NVCC Automatic Conversion will be included in the income of a Holder in the taxation year in which the NVCC Automatic Conversion takes place to the extent such amount was not otherwise included in the Holder's income for that or a preceding taxation year. A Holder that has previously included an amount in income in respect of such interest which exceeds the fair market value of the Common Shares issued in satisfaction thereof may be entitled to an offsetting deduction in the year of disposition in an amount equal to the amount of such excess.

In general, on a disposition or deemed disposition of a Debenture, a Holder will realize a capital gain (or a capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any amount included in the Holder's income as interest and any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such Debenture to the Holder immediately before the disposition or deemed disposition. Where the Debentures are converted into Common Shares as the result of an NVCC Automatic Conversion, the proceeds of disposition will be equal to the fair market value of the Common Shares received on the conversion (other than any Common Shares issued in satisfaction of accrued and unpaid interest on the Debentures). The cost to a Holder of Common Shares acquired pursuant to an NVCC Automatic Conversion will generally equal the fair market value of such Common Shares on the date of acquisition. The adjusted cost base to the Holder of the Common Shares acquired at the time of an NVCC Automatic Conversion will be determined by averaging the cost of such Common Shares with the adjusted cost base of all other Common Shares held by such Holder as capital property immediately before that time.

Dividends on Common Shares

A Holder will be required to include in computing its income for a taxation year, any taxable dividends received or deemed to be received on its Common Shares. In the case of a Holder who is an individual (other than certain trusts), such taxable dividends will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations. Taxable dividends received which are designated by the Bank as "eligible dividends" will be subject to an enhanced gross-up and dividend tax credit regime in accordance with the rules in the Tax Act. In the case of a Holder that is a corporation, the amount of any such taxable dividend that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year.

A Holder that is a "private corporation" or a "subject corporation" (each as defined in the Tax Act) will generally be liable under Part IV of the Tax Act to pay a refundable tax of 33 $\frac{1}{3}$ % on dividends received on the Common Shares in a taxation year to the extent that such dividends are deductible in computing the corporation's taxable income for the year.

Disposition of Common Shares

A Holder who disposes of or is deemed to dispose of Common Shares (other than to the Bank unless purchased by the Bank in the open market in the manner in which shares are normally purchased by members of the public in the open market) will generally realize a capital gain (or a capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such shares to that Holder. If the Holder is a corporation, any such capital loss realized on a disposition of a Common Share may, in certain circumstances, be reduced by the amount of any dividends which have been received or which are deemed to have been received on such share or a share which has been converted into or exchanged for such share. Analogous rules apply to a partnership or trust of which a corporation, trust or partnership is a member or beneficiary.

Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain (a “taxable capital gain”) realized by a Holder in a taxation year must be included in the Holder’s income in that year. A Holder is required to deduct one-half of any capital loss (an “allowable capital loss”) realized in a taxation year from taxable capital gains realized in the year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back and deducted in any of the three preceding taxation years, or carried forward and deducted in any subsequent year, from net taxable capital gains realized in such years to the extent and under the circumstances described in the Tax Act.

Refundable Tax

A Holder that is throughout the year a “Canadian controlled private corporation” (as defined in the Tax Act) may be liable to pay an additional refundable tax on certain investment income including amounts in respect of interest and taxable capital gains.

Eligibility for Investment

The Debentures would, if issued on the date hereof, be qualified investments under the Tax Act and the regulations thereunder for trusts governed by a registered retirement savings plan (“RRSP”), registered retirement income fund (“RRIF”), registered education savings plan, registered disability savings plan, deferred profit sharing plan (other than trusts governed by a deferred profit sharing plan for which any of the employers is the Bank, or an employer with which the Bank does not deal at arm’s length within the meaning of the Tax Act) and a tax-free savings account (a “TFSA”). The Debentures will not be a “prohibited investment” for a TFSA, RRSP or RRIF on the date of this prospectus supplement provided the holder of the TFSA or the annuitant of the RRSP or RRIF, for purposes of the Tax Act, deals at arm’s length with the Bank and does not have a “significant interest” in the Bank. Purchasers of Debentures who intend to hold Debentures in a TFSA, RRSP or RRIF should consult their own tax advisors in this regard.

Plan of Distribution

Pursuant to an agreement (the “Agency Agreement”) dated March 23, 2015 between the Bank and the Agents, the Bank has agreed to sell and the Agents have agreed to use their reasonable best efforts to obtain purchasers to purchase on March 30, 2015, or on such other date not later than April 6, 2015 as may be agreed upon, subject to the terms and conditions contained therein, up to \$1,250,000,000 principal amount of Debentures at a price of \$999.75 per \$1,000 principal amount for a total consideration of up to \$1,249,687,500 plus accrued interest, if any, from March 30, 2015 to the date of delivery, payable in cash to the Bank against delivery of the Debentures. The Agency Agreement provides that the Agents will be paid an agency fee per \$1,000 principal amount of Debentures equal to \$3.70 on account of services rendered. In the event the full amount of the Debentures is not sold, the fee paid to the Agents will be prorated accordingly.

The obligations of the Agents under the Agency Agreement may be terminated at their discretion upon the occurrence of certain stated events.

While the Agents have agreed to use their reasonable best efforts to sell the Debentures offered hereby, they are not obligated to purchase any Debentures which are not sold.

The offering is being made concurrently in all provinces and territories of Canada. The Debentures have not been and will not be registered under the *Securities Act of 1933* of the United States of America, as amended (the “1933 Act”) or any state securities laws and may not be offered or sold, 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 1933 Act) except in transactions exempt from the registration requirements of the 1933 Act.

Pursuant to policy statements of the Ontario Securities Commission and the Autorité des marchés financiers (Québec), the Agents may not, throughout the period of distribution under this prospectus supplement, bid for or purchase the Debentures. The foregoing restriction is subject to certain exceptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of the Debentures. These

exceptions include a bid or purchase permitted under the Universal Market Integrity Rules administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer when the order was not solicited during the period of distribution.

Scotia Capital Inc., one of the Agents, is an indirect wholly owned subsidiary of the Bank. As a result, the Bank is a related and connected issuer of Scotia Capital Inc. under applicable securities legislation. The decision to distribute the Debentures and the determination of the terms of the offering were made through negotiations between the Bank on the one hand and the Agents on the other hand. BMO Nesbitt Burns Inc., an Agent, in respect of which the Bank is not a related or connected issuer, has participated in the structuring and pricing of the offering and in the due diligence activities performed by the Agents for the offering. Scotia Capital Inc. will not receive any benefit from the Bank in connection with this offering other than a portion of the Agents' fee payable by the Bank.

The TSX has conditionally approved the listing of the Common Shares into which the Debentures will be converted upon the occurrence of an NVCC Automatic Conversion, subject to the Bank fulfilling all of the listing requirements of the TSX on or before June 8, 2015. The Bank has applied to list the Common Shares into which the Debentures will be converted upon the occurrence of an NVCC Automatic Conversion on the New York Stock Exchange ("NYSE"). Listing is subject to the Bank fulfilling all of the listing requirements of the NYSE and final approval is expected to be received prior to the anticipated closing date of March 30, 2015.

Use of Proceeds

The net proceeds to the Bank from the sale of the Debentures, after deducting the estimated expenses of the issue and the Agents' fee, will amount to \$1,244,462,500. Such net proceeds will be added to the Bank's funds and will be used for general banking purposes.

Prior Sales

In the twelve-month period preceding the date of this prospectus supplement, the Bank did not issue any subordinated indebtedness. For a list of all outstanding subordinated indebtedness of the Bank see note 12 to the Bank's consolidated financial statements for its fiscal year ended October 31, 2014.

Trading Price and Volume of the Bank's Securities

The following table sets out the price range and trading volume of the Bank's securities on the Toronto Stock Exchange (as reported by Bloomberg) for the periods indicated.

	Common Shares	Preferred Shares														
		Series 13	Series 14	Series 15	Series 16	Series 17	Series 18	Series 19	Series 20	Series 21	Series 22	Series 23	Series 26	Series 28	Series 30	Series 32
March 2014																
-High Price (\$)	\$65.34	\$25.82	\$25.82	\$25.90	\$26.25	\$26.43	\$25.49	\$25.40	\$25.55	\$25.02	\$25.75	\$25.22	\$25.39	\$25.40	\$24.35	\$24.41
-Low Price (\$)	\$62.53	\$25.20	\$25.44	\$25.58	\$25.78	\$26.00	\$25.01	\$25.13	\$24.66	\$24.66	\$25.40	\$24.90	\$24.97	\$24.97	\$23.76	\$23.73
-Volume ('000)	65,025	109	164	327	121	46	117	401	113	243	71	177	640	380	232	656
April 2014																
-High Price (\$)	\$66.72	\$25.73	\$25.90	\$25.98	\$26.30	\$26.44	\$25.60	\$25.63	\$25.87	\$25.26	\$26.08	\$25.51	\$25.02	\$25.01	\$24.49	\$24.58
-Low Price (\$)	\$63.96	\$25.23	\$25.51	\$25.61	\$25.86	\$26.03	\$25.15	\$25.17	\$25.14	\$24.77	\$25.40	\$25.06	\$24.97	\$24.97	\$24.00	\$24.00
-Volume ('000)	64,033	83	219	244	85	68	247	348	90	65	278	88	384	406	108	714
May 2014																
-High Price (\$)	\$69.86	\$25.75	\$25.99	\$26.05	\$26.47	\$26.58	\$25.85	\$25.67	\$25.72	\$25.30	\$25.93	\$25.49	-	-	\$24.60	\$24.88
-Low Price (\$)	\$66.18	\$25.41	\$25.75	\$25.85	\$26.18	\$26.35	\$24.97	\$25.40	\$25.10	\$25.10	\$25.40	\$25.16	-	-	\$23.75	\$24.05
-Volume ('000)	48,123	141	180	237	153	52	267	131	270	175	294	56	-	-	194	643
June 2014																
-High Price (\$)	\$71.64	\$25.67	\$25.99	\$26.00	\$26.45	\$26.50	\$25.57	\$25.85	\$25.48	\$25.37	\$25.82	\$25.58	-	-	\$24.09	\$24.58
-Low Price (\$)	\$69.34	\$24.97	\$25.60	\$25.69	\$25.85	\$26.02	\$24.91	\$25.36	\$25.09	\$25.01	\$25.32	\$25.20	-	-	\$23.49	\$23.92
-Volume ('000)	59,301	314	118	65	166	75	360	75	135	114	116	41	-	-	185	323
July 2014																
-High Price (\$)	\$74.93	\$25.01	\$25.94	\$25.99	\$26.13	\$26.37	\$25.60	\$25.87	\$25.89	\$25.61	\$26.04	\$25.71	-	-	\$24.18	\$24.65
-Low Price (\$)	\$71.12	\$24.98	\$25.61	\$25.70	\$25.80	\$26.03	\$25.27	\$25.39	\$25.33	\$25.11	\$25.40	\$25.21	-	-	\$23.72	\$24.06
-Volume ('000)	57,810	136	94	234	277	387	350	110	387	38	76	47	-	-	160	302
August 2014																
-High Price (\$)	\$74.39	-	\$25.92	\$25.96	\$26.26	\$26.44	\$25.59	\$25.89	\$25.77	\$25.53	\$25.95	\$25.57	-	-	\$24.10	\$24.60
-Low Price (\$)	\$71.19	-	\$25.71	\$25.68	\$25.91	\$26.12	\$25.23	\$25.60	\$25.46	\$25.22	\$25.56	\$25.33	-	-	\$23.71	\$24.15
-Volume ('000)	56,638	-	123	138	382	344	67	150	164	133	110	26	-	-	168	260
September 2014																
-High Price (\$)	\$73.33	-	\$25.79	\$25.85	\$26.18	\$26.43	\$25.62	\$25.80	\$25.89	\$25.84	\$25.98	\$25.84	-	-	\$24.12	\$24.68
-Low Price (\$)	\$68.11	-	\$25.69	\$25.69	\$25.94	\$26.16	\$25.30	\$25.65	\$25.41	\$25.33	\$25.65	\$25.42	-	-	\$23.86	\$24.40
-Volume ('000)	66,638	-	191	97	203	67	76	100	59	65	121	23	-	-	189	200
October 2014																
-High Price (\$)	\$69.65	-	\$25.75	\$25.85	\$26.28	\$26.37	\$25.60	\$25.92	\$25.67	\$25.76	\$25.89	\$25.86	-	-	\$24.13	\$24.73
-Low Price (\$)	\$64.05	-	\$25.37	\$25.40	\$25.76	\$25.95	\$25.09	\$25.66	\$25.31	\$25.27	\$25.48	\$25.51	-	-	\$23.70	\$24.25
-Volume ('000)	99,768	-	110	115	101	187	255	60	37	87	51	42	-	-	102	177
November 2014																
-High Price (\$)	\$71.18	-	\$25.80	\$25.92	\$26.39	\$26.43	\$25.96	\$25.84	\$25.89	\$25.65	\$25.99	\$25.75	-	-	\$24.48	\$24.86
-Low Price (\$)	\$66.75	-	\$25.65	\$25.65	\$25.83	\$26.15	\$25.37	\$25.75	\$25.51	\$25.45	\$25.70	\$25.55	-	-	\$23.98	\$24.56
-Volume ('000)	60,813	-	128	164	88	35	41	61	101	47	47	18	-	-	59	310
December 2014																
-High Price (\$)	\$70.85	-	\$26.07	\$26.16	\$26.25	\$26.37	\$26.17	\$25.86	\$25.87	\$25.62	\$25.99	\$25.61	-	-	\$24.35	\$24.82
-Low Price (\$)	\$62.89	-	\$25.56	\$25.75	\$25.84	\$26.20	\$25.16	\$25.65	\$25.38	\$25.15	\$25.70	\$25.39	-	-	\$23.55	\$23.91
-Volume ('000)	98,429	-	62	134	98	40	54	78	97	58	68	36	-	-	164	270
January 2015																
-High Price (\$)	\$66.20	-	\$25.98	\$26.09	\$26.00	\$26.17	\$25.99	\$25.69	\$25.88	\$25.41	\$25.94	\$25.65	-	-	\$24.08	\$24.77
-Low Price (\$)	\$60.75	-	\$25.48	\$25.62	\$25.63	\$25.81	\$25.22	\$23.67	\$25.35	\$23.01	\$25.40	\$23.65	-	-	\$20.89	\$22.13
-Volume ('000)	94,731	-	107	65	203	104	83	197	90	73	369	39	-	-	565	260
February 2015																
-High Price (\$)	\$67.73	-	\$25.66	\$25.85	\$26.23	\$26.30	\$25.61	\$25.11	\$25.73	\$24.00	\$25.89	\$24.13	-	-	\$22.60	\$23.50
-Low Price (\$)	\$61.30	-	\$25.32	\$25.57	\$25.57	\$25.81	\$25.00	\$23.85	\$25.17	\$22.89	\$25.55	\$23.48	-	-	\$21.15	\$22.49
-Volume ('000)	66,424	-	166	99	44	85	86	231	111	136	119	26	-	-	326	193
March 2015⁽¹⁾																
-High Price (\$)	\$67.07	-	\$25.81	\$25.90	\$26.15	\$26.51	\$25.74	\$24.75	\$25.81	\$24.08	\$26.07	\$24.26	-	-	\$22.67	\$23.64
-Low Price (\$)	\$62.21	-	\$25.52	\$25.59	\$25.74	\$26.05	\$25.23	\$24.35	\$25.22	\$23.82	\$25.51	\$23.85	-	-	\$21.87	\$22.89
-Volume ('000)	60,108	-	106	122	112	146	171	51	86	78	221	26	-	-	333	115

(1) March 1 to March 23, 2015

Transfer Agent and Registrar

Computershare Trust Company of Canada, at its principal office in Toronto, will be the transfer agent and registrar for the Debentures and for any Common Shares issued upon an NVCC Automatic Conversion.

Risk Factors

An investment in Debentures of the Bank is subject to certain risks.

Creditworthiness of the Bank

The value of Debentures will be affected by the general creditworthiness of the Bank. The 2014 Annual MD&A and the 2015 First Quarter MD&A which are incorporated by reference in this prospectus supplement discuss, among other things, known material trends and events, and risks or uncertainties, that are reasonably expected to have a material effect on the Bank's business, financial condition or results of operations.

Subordination

Debentures will be direct unsecured obligations of the Bank which rank equally with other subordinated indebtedness of the Bank in the event of an insolvency or winding-up. If the Bank becomes insolvent or is wound-up while the Debentures remain outstanding, and provided that an NVCC Automatic Conversion has not occurred, the Bank's assets must be used to pay deposit liabilities and prior and senior ranking debt before payments may be made on the Debentures and other subordinated indebtedness. Except to the extent regulatory capital requirements affect the Bank's decisions to issue subordinated or more senior debt, there is no limit on the Bank's ability to incur additional subordinated or more senior debt.

Change in Credit Ratings

Real or anticipated changes in credit ratings on the Debentures may affect the market value of the Debentures. In addition, real or anticipated changes in credit ratings can affect the cost at which the Bank can transact or obtain funding, and thereby affect the Bank's liquidity, business, financial condition or results of operations.

Market and Interest Rate Fluctuations

The value of the Debentures may be affected by market value fluctuations resulting from factors which influence the Bank's operations, including regulatory developments, competition and global market activity.

Prevailing interest rates will affect the market value of Debentures, which have a fixed interest rate until March 30, 2022. Assuming all other factors remain unchanged, the market value of the Debentures, which carry a fixed interest rate until March 30, 2022, will decline as prevailing interest rates for similar debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

No Established Trading Market

It is not currently anticipated that the Debentures will be listed on any stock exchange or quotation system and, consequently, there may be no market through which the Debentures may be sold and purchasers may therefore be unable to resell such Debentures. This may affect the pricing of the Debentures in any secondary market, the transparency and availability of trading prices, the liquidity of the Debentures and the extent of issuer regulation. In addition, holders of Debentures should be aware of the prevailing and widely reported global credit market conditions, whereby there is at times a general lack of liquidity in the secondary market. As a result, the Bank may face additional risks in some of its global operations. Please refer to "Risk Management – Liquidity Risk" in the 2014 Annual MD&A for a discussion of the Bank's liquidity risk.

There can be no assurance that an active trading market will develop for the Debentures after the offering, or if developed, that such a market will be sustained at the offering price of the Debentures.

Regulatory Consents

The redemption of the Debentures is subject to the consent of the Superintendent and other restrictions contained in the Bank Act. Reference is made to "Bank Act Restrictions and Restrictions on Payments of Dividends" in the Prospectus.

Automatic conversion into Common Shares upon a Trigger Event

Upon the occurrence of a Trigger Event and an NVCC Automatic Conversion, an investment in the Debentures will become an investment in Common Shares without the consent of the holder. After an NVCC Automatic Conversion, a holder of Debentures will no longer have any rights as a holder of subordinated debt of the Bank and will only have rights as a holder of Common Shares. The claims of holders of Debentures have certain priority of payment over the claims of holders of Common Shares. Given the nature of a Trigger Event, a holder of Debentures will become a holder of Common Shares at a time when the Bank's financial condition has deteriorated. If the Bank were to become insolvent or wound-up after the occurrence of a Trigger Event, as a result of an NVCC Automatic Conversion, the holders of Common Shares may receive, if anything, substantially less than the holders of the Debentures might have received had the Debentures not been converted into Common Shares. An NVCC Automatic Conversion may also occur at a time when a federal or provincial government or other government agency in Canada has provided, or will provide, a capital injection or equivalent support, the terms of which may rank in priority to the Common Shares with respect to the payment of dividends, rights on liquidation or other terms.

A Trigger Event involves a subjective determination outside the Bank's control

The decision as to whether a Trigger Event will occur is a subjective determination by the Superintendent that the Bank has ceased, or is about to cease, to be viable and that the conversion of all contingent instruments is reasonably likely, taking into account any other factors or circumstances that are considered relevant or appropriate by the Superintendent, to restore or maintain the viability of the Bank. Such determination may be beyond the control of the Bank. See the definition of Trigger Event under "Details of the Offering – NVCC Automatic Conversion".

OSFI has stated that the Superintendent will consult with the Canada Deposit Insurance Corporation, the Bank of Canada, the Department of Finance and the Financial Consumer Agency of Canada prior to making a non-viability determination. The conversion of contingent instruments alone may not be sufficient to restore an institution to viability and other public sector interventions, including liquidity assistance, would likely be used along with the conversion of contingent instruments to maintain an institution as a going concern.

In assessing whether the Bank has ceased, or is about to cease, to be viable and that, after the conversion of all contingent instruments, it is reasonably likely that the viability of the Bank will be restored or maintained, OSFI has stated that the Superintendent will consider, in consultation with the authorities referred to above, all relevant facts and circumstances. Those facts and circumstances may include, in addition to other public sector interventions, a consideration of whether, among other things:

- the assets of the Bank are, in the opinion of the Superintendent, sufficient to provide adequate protection to the Bank's depositors and creditors;
- the Bank has lost the confidence of depositors or other creditors and the public (for example, ongoing increased difficulty in obtaining or rolling over short-term funding);
- the Bank's regulatory capital has, in the opinion of the Superintendent, reached a level, or is eroding in a manner, that may detrimentally affect its depositors and creditors;
- the Bank has failed to pay any liability that has become due and payable or, in the opinion of the Superintendent, the Bank will not be able to pay its liabilities as they become due and payable;
- the Bank failed to comply with an order of the Superintendent to increase its capital;
- in the opinion of the Superintendent, any other state of affairs exists in respect of the Bank that may be materially prejudicial to the interests of the Bank's depositors or creditors or the owners of any assets under the Bank's administration; and
- the Bank is unable to recapitalize on its own through the issuance of Common Shares or other forms of regulatory capital (for example, no suitable investor or group of investors exists that is willing or

capable of investing in sufficient quantity and on terms that will restore the Bank's viability, nor is there any reasonable prospect of such an investor emerging in the near-term in the absence of conversion of contingent instruments).

Upon the occurrence of a Trigger Event and an NVCC Automatic Conversion the interests of depositors, other creditors of the Bank, and holders of securities of the Bank which are not contingent instruments will all rank in priority to the holders of contingent instruments, including the Debentures. The Superintendent retains full discretion to choose not to trigger non-viable contingent capital notwithstanding a determination that the Bank has ceased, or is about to cease, to be viable. Under such circumstances, the holders of Debentures may be exposed to losses through the use of other resolution tools or in liquidation.

Number and value of Common Shares to be received on an NVCC Automatic Conversion is variable

The number of Common Shares to be received for each Debenture is calculated by reference to the prevailing market price of Common Shares immediately prior to a Trigger Event, subject to the Floor Price. If there is an NVCC Automatic Conversion at a time when the Current Market Price of the Common Shares is below the Floor Price, investors will receive Common Shares with an aggregate market price less than the Debenture Value. Investors may also receive Common Shares with an aggregate market price less than the prevailing market price of the Debentures being converted if such shares are trading at a price above the product of the Multiplier and the Debenture Value.

The Bank is expected to have outstanding from time to time other subordinated debt and preferred shares that will automatically convert into Common Shares upon a Trigger Event. Other subordinated debt and preferred shares of the Bank that are convertible into Common Shares upon a Trigger Event may also use a lower effective floor price (for example, using a different multiplier) than that applicable to the Debentures to determine the maximum number of Common Shares to be issued to holders of such instruments upon an NVCC Automatic Conversion. In such cases, holders of Debentures will receive Common Shares pursuant to an NVCC Automatic Conversion at a time when other subordinated debt of the Bank is converted into Common Shares at a conversion rate that is more favourable to the holder of such instruments and preferred shares are converted into Common Shares at a conversion rate that may be more favourable to the holder of such instruments, in each case, than the rate applicable to the Debentures, thereby causing substantial dilution to holders of Common Shares and the holders of Debentures, who will become holders of Common Shares upon an NVCC Automatic Conversion.

Common Shares received on an NVCC Automatic Conversion may be subject to further dilution

In the circumstances surrounding a Trigger Event, the Superintendent or other governmental authorities or agencies may also require other steps to be taken to restore or maintain the viability of the Bank, such as an exercise of the Bail-In Conversion Powers (as defined below), the injection of new capital and the issuance of additional Common Shares or other securities. On August 1, 2014, the Canadian Department of Finance issued for comment the "Taxpayer Protection and Bank Recapitalization Regime: Consultation Paper" which outlines a proposed bail-in regime applicable to Canada's domestic systemically important banks ("**D-SIBs**"), which include the Bank, in line with key international standards such as the Financial Stability Board's "Key Attributes of Effective Resolution Regimes for Financial Institutions". This consultation paper follows a previous announcement made in Canada's federal budget released on March 21, 2013. Under the proposed regime, the Government of Canada would be granted two significant conversion powers (the "**Bail-In Conversion Powers**") with respect to D-SIBs' outstanding capital and debt: (i) first, the Government would be granted the power to permanently convert "eligible liabilities" of the D-SIB ("eligible liabilities" consisting solely of long term senior debt, which is senior unsecured debt that is tradable and transferable with an original term of over 400 days) into common equity, and (ii) the Government would be granted the power to permanently cancel existing shares of the D-SIB. Each of those powers would only be exercisable if two preconditions were met: (a) the Superintendent would need to have determined that the D-SIB has ceased or is about to cease being viable and (b) the full conversion of the D-SIB's outstanding nonviable contingent capital instruments (such as the Debentures), following the occurrence of a Trigger Event (as that term is defined in the Office of the Superintendent of Financial Institutions Canada Guideline for Capital Adequacy Requirements, Chapter 2 – Definition of Capital, dated December 2014, as such term may be amended or superseded from time to time) would need to have occurred. The Bail-In Conversion Powers would apply only to "eligible liabilities" issued after the implementation of the proposed regime with no retroactive application to existing debt.

If the proposed regime is implemented, any “eligible liabilities” issued after such implementation would be subject to the conversion powers described above and holders of such “eligible liabilities” may receive Common Shares in exchange for their “eligible liabilities” if the Bank ceases or is about to cease being viable. Moreover, holders of the Debentures who receive Common Shares following the occurrence of a Trigger Event and as a result of an NVCC Automatic Conversion may sustain substantial dilution following the conversion of such “eligible liabilities”, as it is expected that the conversion rate of such “eligible liabilities” will be significantly more favorable to the holders of such obligations than the rate applicable to holders of the Debentures.

Circumstances surrounding an NVCC Automatic Conversion and effect on market price

The occurrence of a Trigger Event is a subjective determination by the Superintendent that the conversion of all contingent instruments is reasonably likely to restore or maintain the viability of the Bank. As a result, an NVCC Automatic Conversion may occur in circumstances that are beyond the control of the Bank. Also, even in circumstances where the market expects the Superintendent to cause an NVCC Automatic Conversion, the Superintendent may choose not to take that action. Because of the inherent uncertainty regarding the determination of when an NVCC Automatic Conversion may occur, it will be difficult to predict, when, if at all, the Debentures will be mandatorily converted into Common Shares. Accordingly, trading behavior in respect of the Debentures is not necessarily expected to follow trading behavior associated with other types of convertible or exchangeable securities. Any indication, whether real or perceived, that the Bank is trending towards a Trigger Event can be expected to have an adverse effect on the market price of the Debentures and the Common Shares, whether or not such Trigger Event actually occurs.

The Debentures May Be Subject to Write-Off or Write-Down under Current and Proposed Canadian Resolution Powers

The Canada Deposit Insurance Corporation, Canada’s resolution authority, was granted enhanced restructuring powers in 2009 to transfer certain assets and liabilities of a bank to a newly created “bridge bank” for such consideration as it determines in the event of a bank getting into distress, to facilitate a sale of the bank to another financial institution as a going concern, or failing that, to wind up the bridge bank. Upon exercise of such power, any remaining assets and liabilities would remain with the “bad bank,” which would be wound up. As such, in this scenario, any liabilities of the Bank, such as the Debentures, that remain with the “bad bank” may be effectively written off or subject to only partial repayment in the ensuing winding-up.

Legal Matters

Legal matters in connection with the issue and sale of the Debentures will be passed upon, on behalf of the Bank, by Osler, Hoskin & Harcourt LLP and, on behalf of the Agents, by Torys LLP. As at March 23, 2015, the partners, associates and counsel of each of Osler, Hoskin & Harcourt LLP and Torys LLP beneficially owned, directly or indirectly, less than 1% of the issued and outstanding securities of the Bank or of any associate or affiliate of the Bank.

Certificate of the Agents

Dated: March 23, 2015

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the *Bank Act* (Canada) and the regulations thereunder and the securities legislation of all provinces and territories of Canada.

SCOTIA CAPITAL INC.

By: (Signed) Graham Fry

BMO NESBITT BURNS INC.

By: (Signed) Michael Cleary

CIBC WORLD MARKETS INC.

NATIONAL BANK FINANCIAL INC.

RBC DOMINION SECURITIES INC.

TD SECURITIES INC.

By: (Signed) Shannan M. Levere

By: (Signed) Maxime Brunet

By: (Signed) Andrew Franklin

By: (Signed) Greg McDonald

DESJARDINS SECURITIES INC.

By: (Signed) Michael Giansante

CITIGROUP
GLOBAL MARKETS
CANADA INC.

J.P. MORGAN
SECURITIES
CANADA INC.

LAURENTIAN
BANK SECURITIES INC.

MANULIFE SECURITIES
INCORPORATED.

MERRILL LYNCH
CANADA INC.

UBS SECURITIES
CANADA INC.

By: (Signed)
Charles Alexander

By: (Signed)
David Rawlings

By: (Signed)
Michel Richard

By: (Signed)
William Porter

By: (Signed)
Eric P. Giroux

By: (Signed)
Ted Larkin