Prospectus Supplement

To the Short Form Base Shelf Prospectus Dated June 8, 2012

This prospectus supplement, together with the short form base shelf prospectus dated June 8, 2012 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 October 15, 2012

Scotiabank

THE BANK OF NOVA SCOTIA

$1,750,000,000
3.036% Debentures due 2024

(subordinated indebtedness)

The Debentures offered by this prospectus supplement will be dated October 18, 2012 and will mature on October 18, 2024. Interest on such Debentures at the rate of 3.036% per annum will be payable in equal semi-annual payments in arrears on April 18 and October 18 in each year, commencing April 18, 2013 and continuing until October 18, 2019. The initial interest payment, payable on April 18, 2013, will be $15.18 per $1,000 principal amount of Debentures, based on an anticipated closing date of October 18, 2012. From October 18, 2019 until maturity on October 18, 2024, interest on such Debentures will be payable at an annual rate equal to the 90-day Bankers' Acceptance Rate (as defined herein) plus 1.14% payable quarterly in arrears on the 18^{th} day of each of January, April, July and October in each year, commencing January 18, 2020. Reference is made to "Details of the Offering – Interest".

On or after October 18, 2017 but prior to October 18, 2019, 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 the higher of the Canada Yield Price (as defined herein) and par, plus accrued and unpaid interest to the date fixed for redemption. On or after October 18, 2019, the Debentures are redeemable by the Bank, at its option, with the prior written approval of the Superintendent, in whole or in part on any interest payment date 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".

	Price to the Public	Agents' Fee and Discount[1]	Net Proceeds to the Bank[2][3]
Per $1,000 principal amount of Debentures	$1,000	$3.70	$996.30
Total..	$1,750,000,000	$6,475,000	$1,743,525,000

(1) Consisting of an agency fee of $3.70 per $1,000 principal amount of Debentures.
(2) Plus accrued interest, if any, from October 18, 2012 to the date of delivery.
(3) Before deduction of expenses of issue estimated at $300,000.

Scotia Capital Inc., TD Securities Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Desjardins Securities Inc., National Bank Financial Inc., HSBC Securities (Canada) Inc., Merrill Lynch Canada Inc., Citigroup Global Markets Canada Inc., J.P. Morgan Securities Canada Inc., Laurentian Bank Securities Inc. and Manulife Securities Incorporated (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 $6,475,000, 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".

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 October 18, 2012 or such later date as may be agreed upon, but in any event not later than October 25, 2012. 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 accompanying prospectus, gives more general information, some of which may not apply to this offering. If information in this prospectus supplement is inconsistent with the accompanying prospectus, investors should rely on the information in this prospectus supplement. This prospectus supplement, the accompanying 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 may include comments with respect to 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; the effect of applying future accounting changes; 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; 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 discussion in the Bank's Annual MD&A (as defined below), which is incorporated by reference herein and which outlines in detail certain key factors that may affect the Bank's future results.

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 accompanying short form base shelf prospectus of the Bank dated June 8, 2012, solely for the purpose of the Debentures offered by this prospectus supplement. Other documents are also incorporated or deemed incorporated by reference in the accompanying 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 2, 2011, for the year ended October 31, 2011;

(b) the Bank's management proxy circular attached to the notice of meeting dated February 7, 2012;

(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 and nine months ended July 31, 2012;

(d) the Bank's consolidated balance sheets as at October 31, 2011 and 2010 and the consolidated statements of income, changes in shareholders' equity, comprehensive income and cash flows for each of the years in the three-year period ended October 31, 2011, 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, 2011 (the "**Annual MD&A**"); and

(f) the Bank's material change reports dated December 12, 2011 (regarding certain executive management changes), May 24, 2012 (regarding the sale of its interest in the Scotia Plaza complex), and August 30, 2012 (regarding its proposed acquisition of ING Bank of Canada and a common share offering).

Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus supplement or the accompanying prospectus or contemplated in this prospectus supplement or the accompanying 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.

Recent Developments

On July 27, 2012, Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies (Canada) Corporation ("**S&P**"), announced that it had revised its outlook on seven Canadian banks, including the Bank, from stable to negative based on its view of economic and industry trend risks currently impacting Canadian banks generally. At the same time, S&P affirmed its issuer credit rating of the Bank at "AA-".

Consolidated Capitalization of the Bank

The following table sets forth the consolidated capitalization of the Bank as at July 31, 2012, before and after giving effect to the sale by the Bank of the Debentures offered by this prospectus supplement and, in the case of the amounts under the heading "Adjusted as at July 31, 2012", reflecting: (i) the issuance by the Bank on August 3, 2012 of $1,500,000,000 of 2.898% subordinated debentures due 2022 (the "**2022 Subordinated Debentures**"), (ii) the issuance by the Bank of 33,350,000 common shares on September 7, 2012 for total proceeds of $1,734,200,000, and (iii) the redemption of $1,000,000,000 5.25% Trust Subordinated Notes due November 1, 2017 of Scotiabank Subordinated Notes Trust, which redemption will occur on November 1, 2012. The following table should be read in conjunction with the Bank's condensed interim consolidated financial statements (unaudited) and the Bank's Management's Discussion and Analysis as at and for the three and nine months ended July 31, 2012.

	As at July 31, 2012	**Adjusted as at July 31, 2012**
	(in millions of Canadian dollars)	(in millions of Canadian dollars)
Subordinated Debt	$ 6,899	$ 9,149
Capital Instrument Liabilities	1,342	1,342
Shareholders' Equity		
Preferred Shares	4,384	4,384
Common Shares	11,163	12,897
Retained Earnings	21,253	21,253
Other Reserves	139	139
Accumulated Other Comprehensive Income (Loss)	(141)	(141)
Total Equity Attributable to Equity Holders of the Bank	36,798	38,532
Total Capitalization	$ 45,039	$ 49,023

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 October 18, 2012 between the Bank and Computershare Trust Company of Canada, as trustee (the "**Trustee**"). Such Debentures will be limited to $1,750,000,000 aggregate principal amount, will be dated October 18, 2012 and will mature on October 18, 2024.

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.

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 3.036% 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 18th day of April and October in each year, commencing on April 18, 2013 and continuing until October 18, 2019. 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 April 18, 2013, will be $15.18 per $1,000 principal amount of Debentures, based on an anticipated closing date of October 18, 2012. From October 18, 2019 until maturity on October 18, 2024, interest on such Debentures will be payable at a rate per annum equal to the 90-day Bankers' Acceptance Rate plus 1.14%, payable quarterly in arrears on the 18th day of each of January, April, July and October in each year ("**Interest Payment Dates**"), commencing January 18, 2020. 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. From October 18, 2019 until maturity on October 18, 2024, interest will be calculated on the basis of the actual number of days elapsed in such quarterly interest period divided by 365.

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 October 18, 2017 but prior to October 18, 2019, 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 the higher of the Canada Yield Price (as defined herein) and par, plus accrued and unpaid interest to the date fixed for redemption. On or after October 18, 2019, 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 any Interest Payment Date 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.

"**Canada Yield Price**" means a price equal to the price of the Debentures calculated to provide a yield to October 18, 2019 equal to the Government of Canada Yield plus 0.37% on the Business Day preceding the date of the resolution authorizing the redemption.

"Government of Canada Yield" on any date means the average of the yields determined by two registered Canadian investment dealers, other than Scotia Capital Inc., selected by the Trustee and approved by the Bank, as being the yield to October 18, 2019 on such date (assuming semi-annual compounding) which a non-callable Government of Canada Bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity approximately equal to the remaining term to October 18, 2019.

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; provided that nothing will prevent or restrict the Bank from creating, issuing or incurring (i) Aggregate Bank Subordinated Indebtedness (subject to the restrictions relating to the creation of Junior Indebtedness described under the heading "Covenants" below), and (ii) Indebtedness that is subordinate in right of payment to the deposit liabilities of the Bank by virtue of any statute or law now or hereafter in force.

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.

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 accompanying prospectus.

Ratings

The Debentures offered by this prospectus supplement are provisionally rated "Aa2" by Moody's Investors Service, Inc. ("**Moody's**"), a subsidiary of Moody's Corporation. Securities with an "Aa" rating are the second highest of the nine rating categories used by Moody's. Obligations rated Aa are judged to be of high quality and are subject to very low credit risk. The modifier "2" indicates that the obligation ranks at the middle of the "Aa" rating category.

The Debentures are provisionally rated "AA(low)" by DBRS Limited ("**DBRS**"). "AA" 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 "AA" by DBRS are judged to be of superior credit quality and the capacity for the payment of such obligations is considered high.

The Debentures are provisionally rated "A" by S&P using their global scale for long term debt obligations. The "A" rating is the third 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 "A" by S&P are judged to have a strong capacity to meet financial commitments, but are somewhat susceptible to adverse economic conditions and changes in circumstances.

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, capital instrument liabilities and those instruments that were reclassified as deposits from capital instrument liabilities in accordance with the pronouncements issued by the Canadian Institute of Chartered Accountants amounted to approximately $604 million for the 12 months ended October 31, 2011 and approximately $602 million for the 12 months ended July 31, 2012, in each case calculated after giving effect to this offering and the issuance of the 2022 Subordinated Debentures. The Bank's earnings before interest and income tax for the 12 months ended October 31, 2011 were approximately $7.357 billion, which was 12.19 times the Bank's aggregate interest requirements for this period after giving effect to this offering and the issuance of the 2022 Subordinated Debentures. The Bank's earnings before interest and income tax for the 12 months ended July 31, 2012 were approximately $8.273 billion, which was 13.73 times the Bank's aggregate interest requirements for this period after giving effect to this offering and the issuance of the 2022 Subordinated Debentures. All amounts appearing under this heading, "Earnings Coverage", are calculated in accordance with international financial reporting standards and are derived from financial information which is unaudited.

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 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 as capital property (a "**Holder**").

Generally, the Debentures will be capital property to a Holder provided the Holder does not acquire or hold the Debentures in the course of carrying on a business and does not acquire them as part of an adventure in the nature of a trade. Certain Holders who might not otherwise be considered to hold Debentures as capital property may, in certain circumstances, be entitled to have them and all other "Canadian securities", as defined in the Act, owned in the taxation year in which the election is made and in all subsequent taxation years treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Act. Holders should consult their own tax advisors concerning this election.

This summary is not applicable to a Holder that is a "financial institution" for the purposes of certain rules applicable to financial institutions, referred to as "mark-to-market rules", a Holder an interest in which would be a "tax shelter investment" or a Holder that reports its Canadian tax results in a "functional currency" (which does not include Canadian currency), each as defined in the Act. Such Holders should consult their own tax advisors.

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 of a Debenture 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 of a Debenture (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.

Any premium paid by the Bank to a Holder on the redemption of a Debenture, or a purchase for cancellation (other than in the open market in the manner any such obligation would normally be purchased in the open market by any member of the public) because of the repayment of all or part of the principal amount of the Debenture before its maturity will be deemed to be received by such Holder as interest on the Debenture at that time and will be required to be included in computing the Holder's income, as described above, to the extent that such premium can reasonably be considered to relate to, and does not exceed the value at the time of payment of, interest that, but for the repayment, would have been paid or payable by the Bank on the Debenture for a taxation year of the Bank ending after that time.

Dispositions

On a disposition or deemed disposition of a Debenture, including a purchase for cancellation or redemption by the Bank or a repayment by the Bank on maturity, a Holder will generally be required to include in computing its income for the taxation year in which the disposition occurred the amount of interest that has accrued on the 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.

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.

Generally, a Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized in the year. Subject to and in accordance with the provisions of the Tax Act, a Holder is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized by the Holder in the year and allowable capital losses in excess of taxable capital gains for the year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years.

Refundable Tax

A Canadian controlled private corporation (as defined in the Act) may be subject to an additional refundable tax that is payable on certain aggregate investment income for the year, including amounts of interest and taxable capital gains.

Eligibility for Investment

The Debentures would, if issued on the date hereof, be qualified investments under the Act for registered retirement savings plans ("**RRSPs**"), registered retirement income funds ("**RRIFs**"), registered education savings plans, registered disability savings plans, tax-free savings accounts ("**TFSAs**") and deferred profit sharing plans, except for a deferred profit sharing plan for which any employer is the Bank or an employer with which the Bank does not deal at arm's length within the meaning of the Act, and, in the case of an RRSP, an RRIF or a TFSA, provided the annuitant of the RRSP or RRIF or the holder of the TFSA, as the case may be, deals at arm's length with the Bank and does not have a "significant interest" (within the meaning of the Tax Act) in the Bank or in a corporation, partnership or trust that does not deal at arm's length with the Bank, will not be a prohibited investment under the Tax Act for such RRSP, RRIF or TFSA.

Plan of Distribution

Pursuant to an agreement (the "**Agency Agreement**") dated October 12, 2012 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 October 18, 2012, or on such other date not later than October 25, 2012 as may be agreed upon, subject to the terms and conditions contained therein, up to $1,750,000,000 principal amount of Debentures at a price of $1,000 per $1,000 principal amount for a total consideration of up to $1,750,000,000 plus accrued interest, if any, from October 18, 2012 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 pro-rated 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. TD Securities 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.

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 $1,743,225,000. Such net proceeds will be added to the Bank's funds and will be used for general business 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, 2011.

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 12	Series 13	Series 14	Series 15	Series 16	Series 17	Series 18	Series 20	Series 22	Series 24[1]	Series 26	Series 28	Series 30	Series 32
July 2011															
-High Price ($)	$58.44	$25.69	$25.45	$24.98	$25.00	$25.91	$26.49	$26.08	$26.27	$26.25	–	$27.33	$27.24	$25.65	$24.83
-Low Price ($)	$53.77	$25.35	$24.96	$24.25	$24.44	$25.51	$25.75	$25.75	$25.75	$25.96	–	$27.07	$26.98	$25.02	$23.65
-Volume ('000)	54,889	130	153	261	325	212	251	333	254	108	–	368	183	221	2,663
August 2011															
-High Price ($)	$54.96	$25.97	$25.55	$25.10	$25.10	$26.07	$26.61	$26.07	$26.18	$26.19	–	$27.35	$27.40	$25.40	$25.70
-Low Price ($)	$49.00	$25.09	$24.43	$24.20	$24.10	$25.31	$25.92	$25.60	$25.72	$25.65	–	$26.70	$26.85	$24.95	$24.25
-Volume ('000)	95,540	210	219	516	502	343	112	708	686	120	–	652	285	192	106
September 2011															
-High Price ($)	$54.88	$26.09	$25.69	$25.41	$25.40	$26.34	$26.94	$26.15	$26.23	$26.30	–	$27.49	$27.59	$25.45	$25.49
-Low Price ($)	$49.12	$25.74	$25.18	$24.97	$25.00	$25.80	$26.45	$25.61	$25.68	$25.75	–	$26.80	$26.88	$25.01	$24.90
-Volume ('000)	83,383	138	159	310	515	182	172	210	140	396	–	303	189	185	58
October 2011															
-High Price ($)	$53.58	$25.88	$25.64	$25.41	$25.35	$26.14	$26.76	$25.92	$26.24	$26.18	–	$27.14	$27.10	$25.25	$25.08
-Low Price ($)	$49.00	$25.33	$24.95	$24.78	$24.94	$25.55	$26.25	$25.44	$25.51	$25.65	–	$26.52	$26.63	$24.95	$24.50
-Volume ('000)	72,325	127	130	321	237	568	113	106	239	249	–	241	115	219	951
November 2011															
-High Price ($)	$53.07	$26.15	$25.74	$25.75	$25.94	$26.60	$26.95	$26.07	$26.35	$26.33	–	$27.33	$27.44	$25.40	$25.12
-Low Price ($)	$48.01	$25.53	$25.32	$25.06	$25.12	$26.00	$26.43	$25.70	$25.85	$26.00	–	$27.00	$26.93	$25.03	$24.80
-Volume ('000)	65,376	120	122	230	237	350	104	278	177	161	–	168	232	275	583
December 2011															
-High Price ($)	$52.58	$26.49	$26.00	$26.36	$26.19	$27.22	$27.10	$26.22	$26.19	$26.28	–	$27.49	$27.59	$25.25	$25.20
-Low Price ($)	$47.54	$25.70	$25.37	$25.32	$25.40	$26.32	$26.70	$25.68	$25.70	$25.92	–	$27.01	$27.05	$24.95	$24.81
-Volume ('000)	83,480	146	90	150	156	140	201	162	196	79	–	158	229	144	546
January 2012															
-High Price ($)	$56.95	$26.80	$26.05	$26.78	$26.80	$27.27	$27.43	$26.10	$26.09	$26.35	–	$27.39	$27.70	$25.52	$25.25
-Low Price ($)	$51.07	$26.05	$25.54	$25.76	$25.75	$26.35	$26.85	$25.64	$25.75	$25.90	–	$26.89	$26.93	$25.08	$24.95
-Volume ('000)	74,269	136	92	260	322	409	325	163	224	91	–	229	125	283	604
February 2012															
-High Price ($)	$54.16	$26.87	$26.20	$26.33	$26.39	$27.17	$27.64	$26.15	$26.17	$26.37	–	$27.30	$27.46	$25.55	$25.24
-Low Price ($)	$50.40	$25.70	$25.62	$25.56	$25.52	$26.43	$26.71	$25.85	$25.86	$26.10	–	$26.94	$27.05	$25.26	$24.97
-Volume ('000)	94,720	143	206	264	441	375	177	130	128	107	–	167	123	149	2,723
March 2012															
-High Price ($)	$57.05	$26.53	$25.99	$25.94	$25.97	$26.90	$27.34	$26.09	$26.41	$26.49	–	$27.25	$27.30	$25.51	$25.30
-Low Price ($)	$52.63	$25.94	$25.54	$25.55	$25.52	$26.25	$26.78	$25.59	$25.59	$25.69	–	$26.63	$26.76	$25.27	$25.09
-Volume ('000)	97,972	111	89	213	268	133	102	168	128	76	–	105	95	118	1,235
April 2012															
-High Price ($)	$56.15	$26.04	$25.80	$26.10	$26.00	$26.73	$27.09	$25.71	$25.90	$26.06	–	$26.77	$26.80	$25.50	$25.18
-Low Price ($)	$53.97	$25.75	$25.52	$25.60	$25.53	$26.25	$26.80	$25.45	$25.58	$25.75	–	$26.57	$26.61	$25.22	$25.03
-Volume ('000)	59,091	60	56	220	151	153	112	68	148	107	–	223	120	227	631
May 2012															
-High Price ($)	$54.40	$26.14	$26.15	$26.25	$26.44	$27.10	$27.00	$25.72	$25.97	$25.95	–	$26.86	$26.82	$25.45	$25.17
-Low Price ($)	$50.79	$25.80	$25.66	$25.85	$25.89	$26.49	$26.61	$25.39	$25.55	$25.61	–	$26.58	$26.62	$25.05	$24.91
-Volume ('000)	70,147	72	59	145	174	201	104	115	258	129	–	322	418	103	778
June 2012															
-High Price ($)	$53.33	$26.10	$25.91	$26.17	$26.25	$26.98	$27.13	$25.65	$25.80	$25.80	–	$26.83	$26.90	$25.42	$25.20
-Low Price ($)	$51.26	$25.82	$25.53	$25.70	$25.77	$26.40	$26.70	$25.18	$25.25	$25.35	–	$26.42	$26.45	$24.97	$25.00
-Volume ('000)	67,951	112	207	119	165	110	111	293	435	251	–	115	506	159	606
July 2012															
-High Price ($)	$54.03	$26.25	$25.87	$26.12	$26.24	$26.84	$27.33	$25.58	$25.72	$25.83	–	$26.75	$26.84	$25.45	$25.39
-Low Price ($)	$50.51	$25.90	$25.52	$25.70	$25.73	$26.30	$26.70	$25.22	$25.25	$25.38	–	$26.44	$26.41	$25.15	$24.95
-Volume ('000)	71,497	136	87	142	1,153	230	39	250	245	104	–	129	44	374	233
August 2012															
-High Price ($)	$53.65	$26.24	$25.78	$26.19	$26.16	$26.65	$27.09	$25.45	$25.49	$25.71	–	$26.75	$26.81	$25.45	$25.30
-Low Price ($)	$51.24	$25.80	$25.53	$25.75	$25.82	$26.40	$26.77	$25.27	$25.25	$25.30	–	$26.52	$26.60	$25.21	$25.10
-Volume ('000)	76,365	128	115	2,183	881	161	70	211	602	94	–	239	105	265	277
September 2012															
-High Price ($)	$55.00	$26.16	$26.10	$26.05	$26.06	$26.60	$27.10	$25.54	$25.68	$25.80	–	$26.94	$26.95	$25.35	$25.28
-Low Price ($)	$51.92	$25.85	$25.60	$25.64	$25.74	$26.22	$26.61	$25.16	$25.25	$25.40	–	$26.60	$26.53	$25.03	$24.98
-Volume ('000)	76,724	105	154	257	261	128	80	129	277	157	–	150	279	366	207

	Common Shares	Preferred Shares													
		Series 12	**Series 13**	**Series 14**	**Series 15**	**Series 16**	**Series 17**	**Series 18**	**Series 20**	**Series 22**	**Series 24[(1)]**	**Series 26**	**Series 28**	**Series 30**	**Series 32**
October 2012[(2)]															
-High Price ($)	$54.50	$26.15	$25.87	$26.06	$25.98	$26.63	$26.80	$25.30	$25.41	$25.65	–	$26.65	$26.60	$25.13	$25.14
-Low Price ($)	$53.20	$25.95	$25.62	$25.62	$25.74	$26.28	$26.52	$25.10	$25.20	$25.44	–	$26.45	$26.43	$24.97	$24.98
-Volume (‘000)	16,971	51	25	40	117	22	42	112	122	35	–	23	66	85	87

(1) The Preferred Shares, Series 24 were issued on December 12, 2008 by the Bank to Sun Life Financial Inc. as partial consideration for the acquisition by the Bank of trust units of CI Financial Income Fund (now CI Financial Corp.).

(2) October 1 to October 11, 2012.

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.

Risk Factors

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

The value of Debentures will be affected by the general creditworthiness of the Bank. The Annual MD&A which is incorporated by reference in this prospectus supplement discusses, 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.

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, 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.

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.

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 October 18, 2019. Assuming all other factors remain unchanged, the market value of the Debentures, which carry a fixed interest rate until October 18, 2019, will decline as prevailing interest rates for similar debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

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 Bank’s Management’s Discussion and Analysis for the year ended October 31, 2011 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.

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 accompanying prospectus.

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 October 15, 2012, 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: October 15, 2012

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

TD SECURITIES INC.

By: (Signed) Greg McDonald

RBC DOMINION SECURITIES INC.

By: (Signed) Patrick MacDonald

BMO NESBITT BURNS INC.

By: (Signed) Bob Nguyen

CIBC WORLD MARKETS INC.

By: (Signed) Shannan M. Levere

DESJARDINS SECURITIES INC.

By: (Signed) Mark Raymond

NATIONAL BANK FINANCIAL INC.

By: (Signed) Darin E. Deschamps

HSBC SECURITIES (CANADA) INC.

By: (Signed) Robert A. Buttle

MERRILL LYNCH CANADA INC.

By: (Signed) Jeff Schellenberg

CITIGROUP GLOBAL MARKETS CANADA INC.

By: (Signed) Gaurav Marwaha

J.P. MORGAN SECURITIES CANADA INC.

By: (Signed) David Rawlings

LAURENTIAN BANK
SECURITIES INC.

By: (Signed) Michel Richard

MANULIFE
SECURITIES INCORPORATED

By: (Signed) David MacLeod