
The Bank of Nova Scotia
3 Year Capped USD Floating Rate Notes due February 21, 2022 (Bail-inable Notes)
Final Term Sheet

Issuer:	The Bank of Nova Scotia (the “Bank”)
Issue:	Three Year Capped USD Floating Rate Notes with quarterly coupon payments capped at 4.50% per annum (the “Notes”) The Notes will be direct senior unsecured and unsubordinated liabilities of The Bank of Nova Scotia ranking <i>pari passu</i> with all other direct senior unsecured and unsubordinated debt of the Bank.
Senior Debt¹ Ratings:	DBRS: AA(low) Moody’s: A2 S&P: A- The Notes have not been specifically rated by any credit rating organization and there is no assurance that if the Notes were specifically rated by these rating agencies that they would have the same rating as the Bank’s senior unsecured and unsubordinated obligations with a term to maturity of one year or more. A rating is not a recommendation to buy, sell or hold investments, and may be subject to revision or withdrawal at any time by the relevant rating agency.
Principal Amount:	US\$3,065,000
Term:	3 years
Trade Date:	February 8, 2019
Settlement Date:	February 21, 2019
Maturity Date:	February 21, 2022
Issue Price:	US\$100.00 per Note
Minimum Subscription:	US\$5,000.00 and US\$1,000.00 increments thereof.
Selling Agents Commission:	US\$0.75 per Note

¹ Subject to conversion under the bank recapitalization “bail-in” regime

Interest Rate: 3 Month USD LIBOR subject to a cap of 4.50% payable quarterly in arrears calculated as follows:

If 3 Month USD LIBOR is:	Coupon for that Period
At or below 4.15%	(3 Month USD LIBOR + Spread) x Day Count Fraction
Above 4.15%	4.50% x Day Count Fraction

The Interest Rate for each Interest Payment Date will never be greater than the Capped Coupon. If the sum of USD LIBOR plus the Spread is negative, the Interest Rate for the relevant Interest Payment Date will be zero.

Spread: 0.35%

Capped Coupon: 4.50%

Rate Setting: The 3 Month USD LIBOR rate is derived from the quotations provided by the banks determined by the British Bankers' Association ("BBA"). The top and bottom quartile is eliminated and an average of the remaining quotations calculated to arrive at fixing. The fixing is rounded up to 5 decimal places where the sixth digit is five or more. BBA 3 month USD LIBOR is calculated on an ACTUAL/360 basis and for value two business days after the fixing as at the dates outlined under Interest Payment Dates & Rate Reset Dates below, with the initial setting on February 19, 2019. Investors can also find the 3 Month USD LIBOR rate on Bloomberg L.P. page "BBAM" (or any successor or replacement page).

Interest Payment Dates & Rate Reset Dates:

On the 21st day of February, May, August, and November commencing May 21, 2019. If any Interest Payment Date and related Rate Reset Date falls on a day that is not a Business Day, the Interest Payment Date and related Rate Reset Date will be the next preceding Business Day

Business Day: Days (other than a Saturday or Sunday) on which commercial banks are open for business in Toronto, Ontario, Canada.

Day Count Fraction: ACTUAL/360

Optional Redemption: N/A

USD LIBOR Substitution Event: If no 3-Month USD LIBOR appears on Bloomberg L.P. page "BBAM" (or any successor or replacement page) on an Interest Payment Date at approximately 11:00 a.m., London time, or if the Calculation Agent determines that the 3-Month USD LIBOR has been permanently discontinued (either case being a "LIBOR Substitution Event"), the Calculation Agent (after consultation with the Bank) will determine a

substitute or successor rate for 3-Month USD LIBOR (the “Substitute Rate” or the “LIBOR Successor Rate”, as the case may be) which will be used for the calculation of the relevant Interest Rate in accordance with the following procedure.

If no 3-Month USD LIBOR appears on Bloomberg L.P. page “BBAM” (or any successor or replacement page) on an Interest Payment Date at approximately 11:00 a.m., London time, then the Calculation Agent after consultation with the Bank will select four major banks in the London interbank market and shall request each of their principal London offices to provide a quotation of the rate at which three-month deposits in U.S. dollars in amounts of at least US\$1,000,000 are offered by it to prime banks in the London interbank market, on that date and at that time, that is representative of single transactions at that time. If at least two quotations are provided, the Substitute Rate will be the arithmetic average of the quotations provided. Otherwise, the Calculation Agent will select three major banks in New York City and shall request each of them to provide a quotation of the rate offered by them at approximately 11:00 a.m., New York City time, on the applicable Interest Payment Date for loans in U.S. dollars to leading European banks having an index maturity of three months for the applicable interest period in an amount of at least US\$1,000,000 that is representative of single transactions at that time. If three quotations are provided, the Substitute Rate will be the arithmetic average of the quotations provided. Otherwise, the Substitute Rate for the next Interest Payment Date will be set equal to the 3-Month USD LIBOR for the then current Interest Payment Date.

Notwithstanding the above, if 3-Month USD LIBOR has been permanently discontinued, then the Calculation Agent will use, as directed by the Bank, as a substitute for 3-Month USD LIBOR and for each future Interest Payment Date, the alternative reference rate selected by the central bank, reserve bank, monetary authority or any similar institution (including any committee or working group thereof) that is consistent with accepted market practice (the “LIBOR Successor Rate”). As part of such substitution, the Calculation Agent will, as directed by the Bank, make such adjustments to the LIBOR Successor Rate or the spread thereon, as well as the business day convention, determination dates and related provisions and definitions (“Adjustments”), in each case that are consistent with accepted market practice for the use of such LIBOR Successor Rate for debt obligations such as the Notes. Provided, however, that if there is no clear market consensus as to whether any rate has replaced 3-Month USD LIBOR in customary market usage, the Bank may appoint in its sole discretion an independent financial advisor to determine an appropriate LIBOR

Successor Rate, and any Adjustments thereto, and the decision of the independent financial advisor will be binding on the Bank, the Calculation Agent and the holders of the Notes. If 3-Month USD LIBOR has been permanently discontinued, but for any reason a LIBOR Successor Rate has not been determined or there is no such market practice for the use of such LIBOR Successor Rate (and an independent financial advisor has not determined an appropriate LIBOR Successor Rate and any Adjustments), then the 3-Month USD LIBOR for the next interest period will be set equal to the rate of 3-Month USD LIBOR for the then current Interest Payment Date.

The Substitute Rate or LIBOR Successor Rate, as the case may be, shall be deemed to be the Interest Rate applicable to the calculation in the above circumstances and absent manifest error, the determination of 3-Month USD LIBOR, any Substitute Rate and any LIBOR Successor Rate by the Calculation Agent shall be conclusive and binding on all holders.

- Form and Denomination:** Book entry only through participants in CDS Clearing and Depository Services Inc (“CDS”)
- CDIC:** The Notes do not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* (the “*CDIC Act*”) or under any other deposit insurance regime.
- Bail-in Status:** The Notes are bail-inable notes subject to conversion in whole or in part – by means of a transaction or series of transactions and in one or more steps – into common shares of the Bank or any of its affiliates under subsection 39.2(2.3) of the *CDIC Act* and to variation or extinguishment in consequence, and subject to the application of the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the *CDIC Act* with respect to the Notes. For a description of Canadian bank resolution powers and the consequent risk factors attaching to the Notes reference is made to “Canadian Bank Resolution Powers including Bail-in” at <http://www.scotiabank.com/ca/en/about/investors-shareholders/regulatory-disclosures.html> which information is hereby incorporated by reference.
- Subsequent Holders:** Each holder or beneficial owner of a Note that acquires an interest in the Notes in the secondary market and any successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of any such holder or beneficial owner shall be deemed to acknowledge, accept, agree to be bound by and consent to the same provisions specified in the Note to the same extent as the holders or beneficial owners that acquire an interest in the Note upon its initial issuance, including, without limitation, with respect to the acknowledgement and agreement to be bound by and consent to the terms of the Note related to the bail-in regime.

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Set-Off: The holders and beneficial owners of the Notes will not be entitled to exercise, or direct the exercise of, any set-off or netting rights with respect to the Notes.

Governing Law: Ontario and the federal laws of Canada applicable therein.

Attornment: Courts of the Province of Ontario

Agent: Scotia Capital Inc. ("SCI")

Calculation Agent: SCI

Book Entry Only System: The Notes will be issued by way of a single global certificate registered in the name of a nominee of CDS and deposited with CDS. Registration of interests in and transfers of the Notes will be made only through the Book Entry Only (BEO) system of CDS. The Notes must be purchased either directly or indirectly through a participant in the CDS BEO system. No holder will be entitled to any Note or other instrument from the Bank or CDS evidencing the ownership thereof, and no holder will be shown on the records maintained by CDS except through an agent who is a participant of CDS.

Secondary Market: SCI will endeavor to maintain a secondary market for the Notes, but reserves the right not to do so at any time in its sole and absolute discretion, without providing notice to noteholders. The secondary market price of the Notes will be dependent on a number of factors, in particular prevailing interest rates. A holder who sells a Note prior to the Maturity Date may receive sale proceeds that are less than the Principal Amount. If a holder sells a Note to the Agent within the first 180 days from the Issue Date, the holder will receive sale proceeds equal to the secondary market price for the Note as determined by the Agent minus any applicable Early Trading Charge.

Early Trading Charge: During the first 180 days following the issuance of the Notes, an Early Trading Charge will apply to any secondary market sale of a Note through the Agent. The Early Trading Charge will be equal to a percentage of the Principal Amount of the Note, determined as follows:

If Sold Within	Early Trading Charge (% of Principal Amount)
0-90 days of Issue Date	1.00%
91-180 days of Issue Date	0.50%
Thereafter	Nil

A holder should be aware that any price for the Notes appearing on his or her monthly or quarterly investment account statement will be before the application of any applicable Early Trading Charge. A holder

wishing to sell Notes prior to the Maturity Date should consult with his or her investment advisor as to whether an Early Trading Charge is payable and, if so, how much it will be.

US Selling Restrictions:

The Notes have not been and will not be registered under the United States Securities Act of 1933 (the “1933 Act”) and should not be offered or sold within the United States. SCI agrees that neither it, nor its affiliates(s), nor any persons acting on its behalf have engaged or will engage in any directed selling efforts (within the meaning of Regulation S of the 1933 Act) in the United States with respect to the Notes.

EU Selling Restrictions:

No prospectus (as defined in Directive 2003/71/EC (as amended, the “Prospectus Directive”)) will be prepared in connection with the Notes. Accordingly, the Notes may not be offered to the public in any member state of the European Economic Area (the “EEA”), and any purchaser of the Notes who subsequently sells any of the Notes in any EEA member state must do so only in accordance with the requirements of the Prospectus Directive, as implemented in that member state.

Additional Information to Investors about the Notes:

Investors in the Notes should be aware that they are subject to certain risk factors. Potential investors in the Notes are urged to consult his or her own legal, accounting and tax advisors in order to determine the consequences of an investment in the Notes and to make an independent evaluation of such investment. Specific risk factors include, but are not limited to:

Possible Discontinuance of LIBOR

Increased regulatory oversight and changes in the method pursuant to which the LIBOR rates are determined may adversely affect the value of the Notes. Beginning in 2008, concerns were raised that some of the member banks surveyed by the BBA in connection with the calculation of LIBOR across a range of maturities and currencies may have been under-reporting or otherwise manipulating the inter-bank lending rate applicable to them. A number of BBA member banks have entered into settlements with their regulators and law enforcement agencies with respect to alleged manipulation of LIBOR, and investigations were instigated by regulators and governmental authorities in various jurisdictions. If manipulation of LIBOR or another inter-bank lending rate occurred, it may have resulted in that rate being artificially lower (or higher) than it otherwise would have been. Actions by the BBA, regulators or law enforcement agencies may result in changes to the manner in which LIBOR is determined or the establishment of alternative reference rates. For example, on July 27, 2017, the U.K. Financial Conduct Authority announced that it intends to stop persuading or compelling banks to submit LIBOR rates after 2021. At this time, it is not possible to predict the effect of any changes in the methods by which LIBOR rates are determined, nor is it possible to predict the effect of any other reforms or proposals affecting LIBOR that may be enacted in the future, each of which could affect the level of the published LIBOR rate, including causing it to be lower and/or more volatile than it would otherwise be, and may adversely affect the trading market for securities that bear interest at rates based on LIBOR, including the Notes. No assurance may be provided that relevant changes will not be made to LIBOR and/or that LIBOR will continue to exist. Investors should consider these matters when making their investment decision with respect to the Notes. In particular, investors should be aware that any future changes in the method pursuant to which LIBOR is determined or the transition to a successor benchmark may result in, among other things: (i) a sudden or prolonged increase or decrease in LIBOR or any successor benchmark rates; (ii) a delay in the publication of LIBOR or any such benchmark rates; (iii) a change in the rules or methodologies in LIBOR or any successor benchmarks that discourage market participants from continuing to administer or participate in LIBOR or any successor benchmarks; and (iv) LIBOR or any successor benchmark rate no longer being determined and published. Accordingly, in respect of the Notes, such proposals for reform and changes in applicable regulation, including any uncertainty as to the nature of such potential reforms or changes, could have a material

adverse effect on the value or liquidity of and return on the Notes (including potential rates of interest thereon).

In the event that a published LIBOR rate is unavailable, the rate on the Notes will be determined as set forth under USD LIBOR Substitution Event Herein.

Non-Standard Investments: The Notes have certain investment characteristics that differ from traditional fixed income securities. Specifically, the performance of the Notes will not track the same price movements as traditional interest rate products. An investor should reach a decision to invest in the Notes after carefully considering, with his or her advisors, the suitability of the Notes in light of his or her investment objectives and the information set out in the above terms of the offering. Neither the Bank nor SCI makes any recommendation as to whether the Notes are a suitable investment for any person.

Suitability: An investment in the Notes may not be suitable for all investors. An investor should reach a decision to invest in the Notes after carefully considering the suitability of the Notes and his or her investment objectives. Neither the Bank nor SCI makes any recommendation as to the suitability of the Notes for an investor's investment purposes. Investors should consult with their investment advisor before making a decision regarding an investment in Notes.

Potential Conflicts of Interest: The Bank and its affiliates may engage in activities and perform functions that could adversely impact the value of the Notes, the ability of the holder to resell their Notes or the amount or timing of receipt of payments under the Notes. Consequently, potential conflicts between the interests of holders and the Bank's interests may arise.

Capped Coupon: The maximum coupon that may be payable under the Notes is 4.50% per annum. If 3 Month USD LIBOR is higher than 4.15% on the applicable Interest Payment Date, holders will receive coupons capped at 4.50% per annum, as calculated herein for that Interest Payment Date.