

BANK OF NOVA SCOTIA
Form 424B5
December 02, 2015

The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Filed pursuant to Rule 424(b)(5)

File No. 333-200089

**Preliminary Prospectus Supplement,
subject to completion, dated December 2, 2015**

**Prospectus Supplement
(to the Prospectus Dated December 1, 2014)**

THE BANK OF NOVA SCOTIA

**US\$ % Subordinated Notes due 2025
(Non-Viability Contingent Capital (NVCC))
(subordinated indebtedness)**

The US\$ aggregate principal amount of % Subordinated Notes due 2025 (Non-Viability Contingent Capital (NVCC)) (the “Notes”) offered by this Prospectus Supplement will bear interest at a rate of % from , 2015 and will mature on , 2025. Interest on the Notes will be payable semi-annually in arrears on and of each year, commencing on , 2016. The Notes 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*”).

Upon the occurrence of a Trigger Event (as defined herein), each outstanding Note will automatically and immediately be converted, on a full and permanent basis, without the consent of the holders thereof, into that number of fully-paid common shares of the Bank (the “*Common Shares*”) determined by dividing (a) the product of the Multiplier (as defined herein) multiplied by the Note Value (as defined herein), by (b) the Conversion Price (as defined herein). See “Description of the Notes—NVCC Automatic Conversion.” This Prospectus Supplement also relates to the offering and sale of our Common Shares issuable upon conversion of the Notes.

The Bank may, at its option, with the prior written approval of the Superintendent of Financial Institutions (Canada) (the “*Superintendent*”), redeem the Notes, in whole but not in part, at any time within 90 days following a Regulatory Event Date (as defined herein), at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to, but excluding, the date of redemption. Additionally, the Bank may, at its option, with the prior written approval of the Superintendent, redeem the Notes, in whole but not in part, on any date following the occurrence of a Tax Event (as defined herein), at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to, but excluding, the date of redemption. See “Description of the Notes—Redemption.”

It is not currently anticipated that the Notes will be listed on any stock exchange or quotation system and, consequently, there is no market through which the Notes may be sold and purchasers may not be able to resell the Notes purchased under this Prospectus Supplement. Our Common Shares are listed on the New York Stock Exchange

(“NYSE”) and the Toronto Stock Exchange (“TSX”) under the trading symbol “BNS.” On December 1, 2015, the last reported sale price of our Common Shares was US\$45.55 per share on the NYSE and \$60.89 per share on the TSX.

Investing in the Notes involves risks. See “Risk Factors” beginning on page S-9 of this Prospectus Supplement and page 6 of the accompanying prospectus dated December 1, 2014 (the “Prospectus”).

Prospective investors should be aware that the acquisition of the Notes described herein may have tax consequences both in the United States and in Canada. Such consequences for investors who are resident in, or citizens of, the United States may not be described fully herein.

The enforcement by investors of civil liabilities under the United States federal securities laws may be affected adversely by the fact that the Bank is a Canadian bank, that many of its officers and directors, and some of the experts named in this Prospectus Supplement, may be residents of Canada and that all or a substantial portion of the assets of the Bank and such persons may be located outside the United States.

Neither the U.S. Securities and Exchange Commission (the “SEC”) nor any state securities commission has approved or disapproved of the Notes or the Common Shares, or determined if this Prospectus Supplement or the accompanying Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	Total
Public offering price (1)	%	US\$
Underwriting discounts and commissions	%	US\$
Net proceeds to the Bank (before expenses) (1)	%	US\$

(1) Plus accrued interest, if any, from _____, 2015, if settlement occurs after that date.

The Notes will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* (Canada) or by the United States Federal Deposit Insurance Corporation or any other Canadian or U.S. government agency or instrumentality.

The Bank may use this Prospectus Supplement and the accompanying Prospectus in the initial sale of the Notes. In addition, Scotia Capital (USA) Inc. or any other affiliate of the Bank may use this Prospectus Supplement and the accompanying Prospectus in a market-making or other transaction in any Notes (or the Common Shares into which the Notes are convertible) after their initial sale. **Unless we or our agent informs the purchaser otherwise in the confirmation of sale, this Prospectus Supplement and the accompanying Prospectus are being used in a market-making transaction.**

The principal executive office of the Bank is located at 1709 Hollis Street, Halifax, Nova Scotia, B3J 3B7 and its executive offices are at Scotia Plaza, 44 King Street West, Toronto, Ontario, M5H 1H1. The Notes will be ready for delivery through the book-entry facilities of The Depository Trust Company and its direct and indirect participants, including Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme, on or about _____, 2015.

Joint Book-Running Managers

Citigroup Goldman, Sachs & Co. J.P. Morgan Scotiabank UBS Investment Bank

, 2015

TABLE OF CONTENTS

Prospectus Supplement	Page
About this Prospectus Supplement	S-3
Caution Regarding Forward-Looking Statements	S-3
Incorporation of Certain Information by Reference	S-4
Exchange Rate Information	S-5
Summary of the Offering	S-6
Risk Factors	S-9
Capitalization	S-14
Use of Proceeds	S-15
Description of the Notes	S-16
Comparative Per Share Market Price	S-25
Certain U.S. Federal Income Tax Considerations	S-26
Certain Canadian Federal Income Tax Considerations	S-26
Underwriting (Conflicts of Interest)	S-27
Legal Matters	S-31
Independent Registered Public Accounting Firm	S-32
Prospectus	Page
About This Prospectus	2
Presentation of Financial Information	2
Caution Regarding Forward-Looking Statements	3
Where You Can Find More Information	4
Incorporation of Certain Information by Reference	5
Risk Factors	6
The Bank of Nova Scotia	7
Consolidated Capitalization of the Bank	8
Consolidated Earnings Ratios	9
Comparative Per Share Market Price	10
Use of Proceeds	10
Description of Common Shares and Preferred Shares	11
Description of the Debt Securities We May Offer	15
United States Taxation	31
Canadian Taxation	43
Employee Retirement Income Security Act	45
Plan of Distribution	46
Limitations on Enforcement of U.S. Laws Against the Bank, Our Management and Others	48
Validity of Securities	49

Experts	49
Other Expenses of Issuance and Distribution	49

We have not, and the underwriters have not, authorized anyone to provide you with information other than the information contained or incorporated by reference in this Prospectus Supplement, the accompanying Prospectus or in any free writing prospectus we have authorized. We take no responsibility for and can make no assurance as to the reliability of any other information that others may give you. We are not, and the underwriters are not, making an offer to sell any Notes or Common Shares in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this Prospectus Supplement, the accompanying Prospectus, the documents incorporated by reference or any free writing prospectus we may authorize to be delivered to you is accurate as of any date other than the dates thereon. Our business, financial condition, results of operations and prospects may have changed since those dates.

S-2

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 Notes being offered and other information investors should know before investing in the Notes.

Unless otherwise mentioned or unless the context requires otherwise, all references in this Prospectus Supplement to the “Bank,” “we,” “us,” “our” or similar references mean The Bank of Nova Scotia and do not include the subsidiaries of The Bank of Nova Scotia.

The distribution of this Prospectus Supplement, the accompanying Prospectus and any free writing prospectus we have authorized and the offering of the Notes in certain jurisdictions may be restricted by law. Persons who come into possession of this Prospectus Supplement, the accompanying Prospectus or any free writing prospectus we have authorized should inform themselves about and observe any such restrictions. This Prospectus Supplement, the accompanying Prospectus and any free writing prospectus we have authorized do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

You should not consider any information in this Prospectus Supplement, the accompanying Prospectus or any free writing prospectus we have authorized to be investment, legal or tax advice. You should consult your own counsel, accountant and other advisors for legal, tax, business, financial and related advice regarding the purchase of the Notes. We are not making any representation to you regarding the legality of an investment in the Notes by you under applicable investment or similar laws.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus Supplement and the accompanying prospectus, including those documents incorporated by reference, may contain forward-looking information or forward-looking statements (collectively, “*forward-looking statements*”). All such statements are made pursuant to the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. Forward-looking statements may include, but are not limited to, statements made in this Prospectus Supplement, the Management’s Discussion and Analysis in the Bank’s Annual Report on Form 40-F for the fiscal year ended October 31, 2015 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, the regulatory environment in which the Bank operates, anticipated financial results (including those in the area of risk management), and the outlook for the Bank’s businesses and for the Canadian, U.S. 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,” “may,” “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 and the effects of which can be difficult to predict, 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 and funding; significant market volatility and interruptions; the failure of third parties to comply with their obligations to the Bank and its affiliates; changes in monetary policy; legislative and regulatory developments in Canada and elsewhere, including changes to, and interpretations of tax laws and risk-based capital guidelines and reporting instructions and liquidity regulatory guidance; changes to the Bank's credit ratings; operational (including technology) and infrastructure risks; reputational risks; the risk that the Bank's risk management models may not take into account all relevant factors; the accuracy and completeness

S-3

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; critical accounting estimates and the effects of changes in accounting policies and methods used by the Bank (see "Controls and Accounting Policies—Critical accounting estimates" in the Bank's Annual Report on Form 40-F for the fiscal year ended October 31, 2015, 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; natural disasters, including, but not limited to, earthquakes and hurricanes, and disruptions to public infrastructure, such as transportation, communication, power or water supply; the possible impact of international conflicts and other developments, including terrorist activities and war; the effects of disease or illness on local, national or international economies; 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 66 of the Bank's Annual Report on Form 40-F for the fiscal year ended October 31, 2015.

Material economic assumptions underlying the forward-looking statements are set out in the Bank's Annual Report on Form 40-F for the fiscal year ended October 31, 2015 under the heading "Overview—Outlook", as updated by quarterly reports; and for each business segment "Outlook." The "Outlook" sections 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 factors is not exhaustive of all possible risk factors and other factors could also adversely affect the Bank's results. 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.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to "incorporate by reference" into this Prospectus Supplement and the accompanying Prospectus the information in certain documents we file with it. This means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this Prospectus Supplement and the accompanying Prospectus and should be read with the same care. When we update the information contained in documents that have been incorporated by reference by making future filings with the SEC the information incorporated by reference is considered to be automatically updated and superseded. 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. In other words, in the case of a conflict or inconsistency between information contained in this Prospectus Supplement or the accompanying Prospectus and information incorporated by reference into this Prospectus Supplement or the accompanying Prospectus, you should rely on the information contained in the document that was filed later. The making of a modifying or superseding statement shall not be deemed an admission for any purposes 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 shall not be deemed, except as so modified or superseded to constitute a part of this Prospectus Supplement and the accompanying Prospectus.

S-4

We incorporate by reference the documents listed below and all documents which we subsequently file with the SEC (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with the SEC rules) pursuant to Section 13(a), 13(c), 14, or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), until the termination of the offering of the Notes under this Prospectus Supplement:

• Annual Report on Form 40-F for the fiscal year ended October 31, 2015, filed on December 1, 2015; and
 • Reports on Form 6-K filed on December 1, 2015 (five filings) (Acc-nos: 0001193125-15-391986, 0001193125-15-391896, 0001193125-15-391861, 0001193125-15-391842 and 0001102624-15-001715).

We may also incorporate any other Form 6-K that we submit to the SEC on or after the date hereof and prior to the termination of this offering of the Notes under this Prospectus Supplement if the Form 6-K filing specifically states that it is incorporated by reference into the registration statement of which the accompanying Prospectus forms a part.

We will provide without charge to each person, including any beneficial owner, to whom this Prospectus Supplement is delivered, upon his or her written or oral request, a copy of any or all documents referred to above which have been or may be incorporated by reference into this Prospectus Supplement excluding exhibits to those documents, unless they are specifically incorporated by reference into those documents. You may obtain copies of those documents by requesting them in writing or by telephoning us at the following address:

The Bank of Nova Scotia
 Scotia Plaza
 44 King Street West
 Toronto, Ontario
 Canada M5H 1H1
 Attention: Secretary
 Telephone: (416) 866-3672

EXCHANGE RATE INFORMATION

We publish our consolidated financial statements in Canadian dollars. In this Prospectus Supplement, currency amounts are stated in Canadian dollars (“\$”), unless specified that they are stated in U.S. dollars (“US\$”). As indicated in the table below, the Canadian dollar has fluctuated in value compared to the U.S. dollar over time.

The tables below sets forth the high and low daily noon exchange rates, the average yearly rate and the rate at period end between Canadian dollars and U.S. dollars (in U.S. dollars per Canadian dollar) for the periods listed below, as applicable. On December 1, 2015, the noon exchange rate was US\$0.7478 = \$1.00. Our reference to the “noon exchange rate” is the noon exchange rate as reported by the Bank of Canada.

Year ended October 31,	High	Low	Average Rate(1)	At Period End
2011	1.0583	0.9430	1.1064	1.0065
2012	1.0299	0.9536	0.9968	1.0004
2013	1.0164	0.9455	0.9777	0.9589
2014	0.9602	0.8858	0.9149	0.8869
2015	0.8900	0.7455	0.8030	0.7644

Month of 2015	High	Low	Average Rate(1)	At Period End
November	0.7637	0.7485	0.7530	0.7488

(1) The average of the noon exchange rates on the last business day of each full month during the relevant period.

S-5

SUMMARY OF THE OFFERING

The summary below describes the principal terms of the Notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The “Description of the Notes” section of this Prospectus Supplement and the “Description of the Debt Securities We May Offer” section of the accompanying Prospectus contain a more detailed description of the terms and conditions of the Notes. As used in this section, the “Bank,” “we,” “our” and “us” refer to The Bank of Nova Scotia and not to its subsidiaries.

Issuer	The Bank of Nova Scotia
Notes Offered	US\$ _____ aggregate principal amount of _____ % Subordinated Notes due 2025 (Non-Viability Contingent Capital (NVCC)) (the “Notes”)
Maturity Date	_____, 2025
Interest Rate	The Notes will bear interest at a rate of _____ % per year.
Interest Payment Dates	Interest on the Notes will be payable semi-annually in arrears on _____ and _____ of each year, beginning on _____, 2016
Status and Subordination	<p>The Notes 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 Notes, 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), except Indebtedness which by its terms ranks equally in right of payment with, or is subordinate to, such subordinated indebtedness.</p>
Redemption	<p>The Bank may, at its option, with the prior written approval of the Superintendent, redeem the Notes, in whole but not in part, at any time within 90 days following a Regulatory Event Date, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to, but excluding, the date of redemption. Additionally, the Bank may, at its option, with the prior written approval of the Superintendent, redeem the Notes, in whole but not in part, on any date following the occurrence of a Tax Event, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to, but excluding, the date of redemption. See “Description of the Notes— Redemption.”</p> <p>Upon the occurrence of a Trigger Event, each outstanding Note will automatically and immediately be converted, on a full and permanent basis, without the consent of the holders thereof, into that number of fully-paid Common Shares determined by dividing (a) the product of the Multiplier multiplied by the Note Value, by (b) the Conversion Price. See “Description of the Notes—NVCC Automatic Conversion.”</p> <p>“<i>Conversion Price</i>” means, in respect of each Note, the greater of (i) the Floor Price, and (ii) the Current Market Price.</p>
NVCC Automatic Conversion	<p>“<i>Floor Price</i>” means the U.S. dollar equivalent of \$5.00 converted into U.S. dollars at the Prevailing Rate on the day immediately prior to the date on which the Trigger Event occurs, subject to adjustment in the event of (i) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all holders of Common Shares as a stock dividend, (ii) the subdivision, redivision or change of the Common</p>

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.

“*Note Value*” means, in respect of each Note, US\$1,000 plus accrued and unpaid interest on such Note as at the date of the Trigger Event.

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 effective January 1, 2013, 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 the Notes and all other contingent instruments issued by the Bank 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

	<p>unless and until such a right or remedy in respect of the Notes is exercisable and unless and until a Trustee (as defined herein), in its discretion, or upon the direction of the holders of Notes, has exercised any such right or remedy in respect of the Notes prior to the exercise of the Junior Right.</p> <p>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 either Trustee has reason to believe is an Ineligible Person (as defined herein) or any person who, by virtue of the operation of the NVCC Automatic Conversion, would become a Significant Shareholder (as defined herein) through the acquisition of Common Shares. See “Description of the Notes—Right not to Deliver Common Shares upon NVCC Automatic Conversion.”</p>
Prohibited Owners	
Events of Default	<p>The Indenture (as defined herein) governing the Notes will provide that an event of default in respect of the Notes will occur only if the Bank becomes bankrupt or insolvent or becomes subject to the provisions of the <i>Winding-up and Restructuring Act</i> (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. An NVCC Automatic Conversion upon the occurrence of a Trigger Event will not constitute an event of default.</p>
Form and Denomination	<p>The Notes will be issued in the form of one or more fully registered global notes registered in the name of the nominee of The Depository Trust Company. The Notes will be issued only in minimum denominations of US\$2,000 and integral multiples of US\$1,000 in excess thereof.</p>
Governing Law	<p>The Notes and the Indenture under which they will be issued will be governed by the laws of the State of New York, except that the provisions relating to an NVCC Automatic Conversion and certain other limited provisions of the Indenture will be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.</p>
Trustees	<p>Computershare Trust Company, N.A., as United States trustee, and Computershare Trust Company of Canada, as Canadian trustee.</p>
Use of Proceeds	<p>The net proceeds of this offering will be used for general business purposes. See “Use of Proceeds.”</p>
No Public Trading Market	<p>We do not intend to list the Notes on any national securities exchange or to arrange for quotation on any automated dealer quotation systems. There can be no assurance that an active trading market will develop for the Notes.</p>
Conflicts of Interest	<p>As described in “Underwriting (Conflicts of Interest),” Scotia Capital (USA) Inc. is an affiliate of the Bank and, as such, has a “conflict of interest” in this offering within the meaning of FINRA Rule 5121. Consequently, the offering is being conducted in compliance with the provisions of Rule 5121.</p>
Risk Factors	<p>See “Risk Factors” in this Prospectus Supplement on page S-9 and in the accompanying Prospectus beginning on page 6 for a discussion of factors you should carefully consider before deciding to invest in the Notes.</p>

RISK FACTORS

An investment in the Notes is subject to certain risks. Before deciding whether to invest in the Notes, investors should carefully consider the risks set out herein and incorporated by reference in this Prospectus Supplement (including subsequently filed documents incorporated by reference herein).

The value of the Notes will be affected by the general creditworthiness of the Bank

The value of the Notes will be affected by the general creditworthiness of the Bank. Prospective investors should consider the categories of risks identified in the Bank's most recent annual report filed on Form 40-F which is incorporated by reference herein, including credit risk, market risk, liquidity risk, operational risk, reputational risk, environmental risk, strategic risk and insurance risk.

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 Notes will become an investment in Common Shares without the consent of the holder. After an NVCC Automatic Conversion, a holder of Notes 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 Notes have certain priority of payment over the claims of holders of Common Shares. Given the nature of a Trigger Event, a holder of Notes 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 Notes might have received had the Notes 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 "Description of the Notes—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:

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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;

S-9

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 Notes. 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 Notes 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 Note 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 (as defined herein) of the Common Shares is below the Floor Price (as defined herein), investors will receive Common Shares with an aggregate market price less than the Note 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 Notes 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 Notes 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 favorable to the holder of such instruments and preferred shares are converted into Common Shares at a conversion rate that may be more favorable to the holder of such instruments, in each case, than the rate applicable to the Notes, thereby causing substantial dilution to holders of Common Shares and the holders of Notes, 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

S-10

(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 Notes), 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, effective January 1, 2013, 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 Notes 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 Notes.

The Bank reserves the right not to deliver Common Shares upon a 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 either trustee has reason to believe is an Ineligible Person or any person who, by virtue of the operation of the NVCC Automatic Conversion, would become a Significant Shareholder through the acquisition of Common Shares. In such circumstances, the Bank will attempt to facilitate the sale of such Common Shares. 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.

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 Notes will be mandatorily converted into Common Shares. Accordingly, trading behavior in respect of the Notes 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 Notes and the Common Shares, whether or not such Trigger Event actually occurs.

In the event of a redemption of the Notes, holders will be subject to reinvestment risk

The Bank may, at its option, with the prior written approval of the Superintendent, redeem the Notes at any time within 90 days following a Regulatory Event Date or on any date following the occurrence of a Tax Event. If the Notes are redeemed prior to their maturity date, investors will be subject to reinvestment risk, since it may not be possible to reinvest in securities with similar risk and yield as the Notes.

Holders of the Notes will have limited rights if there is an event of default.

Payment of principal on the Notes may be accelerated only in the case of certain events of bankruptcy or insolvency involving the Bank. There is no automatic acceleration or right of acceleration in the case of default in the payment of interest on the Notes or in the performance of any of the Bank's other obligations under the Notes or the Indenture governing the Notes.

S-11

Ranking on insolvency or winding-up

The Notes will be direct unsecured subordinated 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 Notes 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 Notes 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.

Holders of Notes may not be entitled to receive U.S. dollars in a winding-up

If you are entitled to any recovery with respect to the Notes in any winding-up, you might not be entitled in those proceedings to a recovery in U.S. dollars and might be entitled only to a recovery in Canadian dollars. In addition, under current Canadian law, the Bank's liability to you, if any, would have to be converted into Canadian dollars at a date close to the commencement of proceedings against it and you would be exposed to currency fluctuations between that date and the date you receive proceeds pursuant to such proceedings, if any.

The value of the Notes may be affected by changes in credit ratings

Real or anticipated changes in credit ratings on the Notes may affect the market value of the Notes. 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 Notes may be affected by market value and interest rate fluctuations

The value of the Notes 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 also affect the market value of Notes. Assuming all other factors remain unchanged, the market value of the Notes 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 Notes will be listed on any stock exchange or quotation system and, consequently, there may be no market through which the Notes may be sold and purchasers may therefore be unable to resell such Notes. This may affect the pricing of the Notes in any secondary market, the transparency and availability of trading prices, the liquidity of the Notes and the extent of issuer regulation. In addition, holders of Notes 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 the Bank's Annual Report on Form 40-F for the fiscal year ended October 31, 2015 under the heading "Risk Management—Liquidity Risk" for a discussion of the Bank's liquidity risk.

There can be no assurance that an active trading market will develop for the Notes after the offering, or if developed, that such a market will be sustained at the offering price of the Notes. While certain of the underwriters intend to make a market in the Notes, the underwriters will not be obligated to do so and may stop their market-making at any time. In addition, any market-making activities will be subject to limits of the U.S. Securities

Act of 1933, as amended (the “*Securities Act*”) and the Exchange Act.

No limitation on issuing senior or pari passu securities

The Indenture governing the Notes does not contain any financial covenants and contains only limited restrictive covenants. In addition, the Indenture will not limit the Bank’s or its subsidiaries’ ability to incur additional indebtedness, issue or repurchase securities, pay dividends or engage in transactions with affiliates. The Bank’s ability to incur additional indebtedness and use its funds for any purpose in the Bank’s discretion may increase the risk that the Bank may be unable to service its debt, including paying its obligations under the Notes.

S-12

The Notes are governed by New York Law

The Indenture governing the Notes will be governed by, and construed in accordance with, the laws of the State of New York (other than the provisions relating to an NVCC Automatic Conversion and certain other limited provisions that will be governed by the laws of the Province of Ontario and applicable laws of Canada). Generally, in an action commenced in a Canadian court for the enforcement of the Indenture or the Notes, a plaintiff will be required to prove those non-Canadian laws as a matter of fact by the evidence of persons who are experts in those laws.

The Notes are denominated in U.S. dollars and may have tax consequences for investors

The Notes will be denominated in U.S. dollars. If you are a non-U.S. investor who purchases the Notes with a currency other than U.S. dollars, changes in rates of exchange may have an adverse effect on the value, price or returns of your investment. This Prospectus Supplement contains a general description of certain U.S. tax considerations and certain Canadian tax considerations relevant to Non-Resident Holders (as defined herein) relating to the Notes. If you are a non-U.S. investor, you should consult your tax advisors as to the consequences, under the tax laws of the country where you are resident for tax purposes, of acquiring, holding and disposing of the Notes and receiving the payments that might be due under the Notes.

The United States federal income tax treatment of instruments such as the Notes is uncertain and, accordingly, the United States Internal Revenue Service (“IRS”) may take a different position than an investor regarding the appropriate characterization and treatment of the Notes

There is no authority that addresses the United States federal income tax treatment of an instrument such as the Notes that is denominated as a subordinated debt instrument but that provides for an NVCC Automatic Conversion upon the occurrence of a Trigger Event. While the Notes should likely be treated as equity for United States federal income tax purposes, the IRS could assert an alternative tax treatment of the Notes for United States federal income tax purposes. There can be no assurance that any alternative tax treatment, if successfully asserted by the IRS would not have adverse United States federal income tax consequences to a United States holder of the Notes. Each United States prospective investor should consult their own tax advisor regarding the appropriate characterization of the Notes and the tax consequences to them if the IRS successfully asserts a characterization that differs from the investor’s characterization of the Notes.

Fiduciaries of certain plans should consult with counsel

This paragraph is relevant only if you are a fiduciary of a plan subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”) or Section 4975 of the Code (as defined below), or a governmental, church or non-U.S. plan subject to similar laws. Fiduciaries of such plans should consult with their counsel regarding their proposed investment in the Notes and the deemed representations they are required to make. See “Employee Retirement Income Security Act” in the accompanying Prospectus.

CAPITALIZATION

The following table sets out the Bank's capitalization as at October 31, 2015:

on an actual basis; and

as adjusted to give effect to the sale and issuance of the Notes in this offering.

This table should be read in conjunction with the Bank's Audited Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended October 31, 2015 incorporated by reference into this Prospectus Supplement.

	As at October 31, 2015	
	Actual	As adjusted(1)
	(in millions of Canadian dollars)	
Subordinated debentures	\$6,182	\$
Equity:		
Common equity		
Common shares	15,141	15,141
Retained earnings	31,316	31,316
Accumulated other comprehensive income	2,455	2,455
Other reserves	173	173
Total common equity	49,085	49,085
Preferred shares	2,934	2,934
Total equity attributable to equity holders of the Bank	52,019	52,019
Non-controlling interests in subsidiaries	1,460	1,460
Total equity	53,479	53,479
Total capitalization	\$59,661	\$

(1) Excludes the effect of the sale and issuance of \$750 million aggregate principal amount of 3.367% Subordinated Debentures due 2025 (Non-Viability Contingent Capital (NVCC)) expected to close on December 8, 2015

USE OF PROCEEDS

The net proceeds to the Bank from the sale of the Notes, after deducting the estimated offering expenses payable by the Bank and the underwriters' discounts and commissions, will amount to approximately
US\$. The net proceeds will be used for general business purposes.

S-15

DESCRIPTION OF THE NOTES

The following is a description of the terms of the US\$ _____ % Subordinated Notes due 2025 (Non-Viability Contingent Capital (NVCC)) offered by this Prospectus Supplement (which are referred to in this Prospectus Supplement as the “Notes” and in the accompanying Prospectus as “Debt Securities”).

The Notes are to be issued under an indenture, to be dated as of _____, 2015 (the “Base Indenture”), among the Bank, Computershare Trust Company, N.A., as United States trustee (the “U.S. Trustee”), and Computershare Trust Company of Canada, as Canadian trustee (the “Canadian Trustee” and, together with the U.S. Trustee, the “Trustees”), as amended and supplemented by a first supplemental indenture, to be dated as of _____, 2015, among the Bank and the Trustees (the “Supplemental Indenture” and, together with the Base Indenture, the “Indenture”), establishing the terms of the Notes. You may request a copy of the Indenture from us as described under “Incorporation of Certain Information by Reference.” The following summaries of certain provisions of the Notes and the Indenture do not purport to be complete and are subject to and qualified in their entirety by reference to all of the provisions of the Notes and the Indenture, including the definitions of certain terms used in the Indenture. We urge you to read these documents because they, and not this description, define your rights as a holder of the Notes.

As used in this description, the terms the “Bank,” “we,” “us” and “our” refer only to The Bank of Nova Scotia and not to any of its subsidiaries. All capitalized terms used under this heading “Description of the Notes” that are not defined herein have the meanings ascribed thereto in the accompanying Prospectus.

General

The Notes will be the Bank’s direct unsecured obligations, constituting subordinated indebtedness for the purpose of the Bank Act and will mature on _____, 2025. Upon the occurrence of a Trigger Event, each outstanding Note will automatically and immediately be converted, on a full and permanent basis, without the consent of the holders thereof, into that number of fully-paid Common Shares of the Bank determined by dividing (a) the product of the Multiplier multiplied by the Note Value, by (b) the Conversion Price. See “—NVCC Automatic Conversion.” This Prospectus Supplement also relates to the offering and sale of our Common Shares issuable upon conversion of the Notes. See “Description of Common Shares and Preferred Shares” in the accompanying Prospectus.

The Notes will not constitute deposits that are insured under the Canada Deposit Insurance Corporation Act (Canada) or by the United States Federal Deposit Insurance Corporation or any other Canadian or U.S. government agency or instrumentality.

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 Indenture, the Bank may not, without the prior approval of the Superintendent, amend or vary terms of the Notes that would affect the recognition of the Notes as regulatory capital under capital adequacy requirements adopted by the Superintendent.

Payment of the principal and interest on the Notes will be made in U.S. dollars. The Bank will pay the principal and interest in immediately available funds to The Depository Trust Company, as depository, or its nominee as the registered owner of the global notes representing the book-entry Notes.

The Notes are not entitled to the benefits of any sinking fund.

The provisions of the Indenture relating to defeasance and covenant defeasance (described under the heading “Description of the Debt Securities We May Offer—Defeasance” in the accompanying Prospectus) will not apply to the Notes.

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The Notes will be issued in denominations of US\$2,000 and integral multiples of US\$1,000 in excess of such amount. Upon issuance, the Notes will be represented by one or more fully registered global notes. Each global note will be deposited with, or on behalf of, The Depository Trust Company, as depository. You may elect to hold interests in the global notes through either the depository (in the United States), Euroclear Bank S.A./N.V., Clearstream Banking, société anonyme, or indirectly through organizations that are participants in such systems.

S-16

See “Description of the Debt Securities We May Offer—Legal Ownership and Book-Entry Issuance” in the accompanying Prospectus.

Subordination

The Notes 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 Notes, 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, except Indebtedness which by its terms ranks equally in right of payment with, or is subordinate to, such Subordinated Indebtedness. For the purposes of the foregoing:

“*Indebtedness*” at any time means 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 International Financial Reporting Standards as issued by the International Accounting Standards Board, 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.

“*Subordinated Indebtedness*” at any time means:

- (a) the liability of the Bank in respect of the principal and interest on the Notes and the principal of and premium, if any, and interest on notes and debentures issued under any existing trust indentures; any Indebtedness which ranks equally with and not prior to (i) the Notes, and (ii) the notes or debentures issued under any existing trust indentures, in right of payment in the event of the insolvency or winding-up of the Bank
- (b) 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 Notes are subordinate in right of payment to at least the same extent as the Notes are made junior and subordinate thereto under the provisions of the Indenture; and any Indebtedness which ranks subordinate to and not equally with or prior to (i) the Notes, and (ii) the notes or debentures issued under any existing trust indentures, in right of payment in the event of the insolvency or
- (c) 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 Notes are subordinate in right of payment to at least the same extent as the Notes are made junior and subordinate thereto under the provisions of the Indenture (such Indebtedness pursuant to this clause (c), “*Junior Indebtedness*”).

If an NVCC Automatic Conversion occurs, the rights, terms and conditions of the Notes, including with respect to priority and subordination, will no longer be relevant as all the Notes will have been converted into Common Shares which will rank on parity with all other outstanding Common Shares.

The subordination provisions of the Indenture will be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Maturity

The Notes will mature on _____, 2025.

Interest

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The Notes will bear interest from and including _____, 2015 at a rate equal to _____%. We will pay interest in arrears on _____ and _____ of each year, beginning _____, 2016 (each, an “*Interest Payment Date*”), and on the maturity date. Interest will be payable on each Interest Payment Date to the persons in whose name the Notes are registered at the close of business on the preceding _____ or _____, whether or not a business day. However, we will pay interest on the maturity date to the same persons to whom the principal will be payable. If any Interest Payment Date or the maturity date falls on a day that is not a business day, we will postpone the making of such interest payment to the next succeeding business day (and no

S-17

interest will be paid in respect of the delay). A “*business day*” means each Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions are authorized or required by law or executive order to close in The City of New York, New York or Toronto, Ontario.

Interest on the Notes will accrue from and including _____, 2015 to but excluding the first Interest Payment Date and then from and including each Interest Payment Date to which interest has been paid or duly provided for to, but excluding, the next Interest Payment Date or the maturity date, as the case may be. Any overdue interest will bear the same interest rate after as well as before default in the payment of principal or interest, as applicable.

Interest on the Notes will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Redemption

The Bank may, at its option, with the prior written approval of the Superintendent, redeem the Notes, in whole but not in part, at any time within 90 days following a Regulatory Event Date, on not less than 30 nor more than 60 days’ prior notice, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to, but excluding, the date of redemption. Additionally, the Bank may, at its option, with the prior written approval of the Superintendent, redeem the Notes, in whole but not in part, on any date following the occurrence of a Tax Event, on not less than 30 nor more than 60 days’ prior notice, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to, but excluding, the date of redemption. For the purposes of the foregoing:

“*Regulatory Event Date*” means the date specified in a letter from the Superintendent to the Bank on which the Notes will no longer be recognized in full as eligible “Tier 2 Capital” or will no longer be eligible to be included in full as risk-based “Total Capital” on a consolidated basis under the guidelines for capital adequacy requirements for banks in Canada as interpreted by the Superintendent.

“*Tax Event*” means the Bank has received an opinion of independent counsel of recognized standing experienced in such matters to the effect that, as a result of, (i) any amendment to, clarification of, or change (including any announced prospective change) in, the laws, or any regulations thereunder, or any application or interpretation thereof, of Canada, or any political subdivision or taxing authority thereof or therein, affecting taxation; (ii) any judicial decision, administrative pronouncement, published or private ruling, regulatory procedure, rule, notice, announcement, assessment or reassessment (including any notice or announcement of intent to adopt or issue such decision, pronouncement, ruling, procedure, rule, notice, announcement, assessment or reassessment) (collectively, an “*administra*