

**Amended and Restated Short Form Base Shelf Prospectus dated August 19, 2013, amending and restating Short Form Base Shelf Prospectus dated March 26, 2013**

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

*This amended and restated short form base shelf prospectus has been filed under legislation in each of the provinces and territories of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.*

*This amended and restated short form base shelf 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. The securities to be issued hereunder have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and, subject to certain exceptions, may not be offered, sold or delivered, directly or indirectly, in the United States or to or for the account or benefit of U.S. Persons (as defined in Regulation S under the U.S. Securities Act). See "Plan of Distribution".*

*Information has been incorporated by reference in this amended and restated short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein 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](http://www.sedar.com).*

New Issue

August 19, 2013

**AMENDED AND RESTATED SHORT FORM BASE SHELF PROSPECTUS  
DATED AUGUST 19, 2013, AMENDING AND RESTATING  
SHORT FORM BASE SHELF PROSPECTUS DATED MARCH 26, 2013**



**The Bank of Nova Scotia  
\$1,000,000,000  
Senior Notes (Principal at Risk Notes)**

The Bank of Nova Scotia (the "Bank") may, from time to time, offer and issue during the 25 month period that the short form base shelf prospectus, as amended and restated by this amended and restated short form base shelf prospectus including any amendments hereto (the "Prospectus"), remains valid, up to \$1,000,000,000 aggregate principal amount as of the applicable issuance date (or the equivalent Canadian dollar amount at the date of issuance if denominated in a foreign currency or currency unit) of unsecured and unsubordinated debt securities (principal at risk notes) (the "Notes") in one or more tranches or series. As direct unsecured and unsubordinated obligations of the Bank, the Notes will rank equally with all other present and future unsecured and unsubordinated indebtedness of the Bank, subject to certain priorities under applicable law.

**The Notes will not constitute deposits under the *Canada Deposit Insurance Corporation Act*.**

The specific terms of the Notes in respect of which this Prospectus is being delivered will be set forth in one or more prospectus supplements and/or pricing supplements, as applicable (the "product supplements" and the "pricing supplements", respectively), and may include, where applicable, the

specific designation, aggregate principal amount, the currency or the currency unit for which the Notes may be purchased, variable return (including interest), authorized denominations, offering price, any terms for redemption at the option of the Bank or the holder of the Notes, any exchange or conversion terms and any other specific terms. Each product supplement and pricing supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of such product supplement or pricing supplement, as the case may be, and only for the purposes of the distribution of the tranche or series of Notes to which the product supplement or pricing supplement pertains. The Bank reserves the right to set forth in a product supplement or pricing supplement specific variable terms that are not within the parameters set forth herein.

The principal amount of a Note payable at or prior to maturity or any variable return or other payment, other than any minimum payment amount, will be determined, in whole or in part, by reference to one or more equity or other securities or financial instruments, units or other securities of one or more publicly or privately offered investment funds or portfolios, statistical measures of economic or financial performance, the price or value of any commodity or other asset, or any combination of the foregoing.

**Amounts paid to holders of Notes will depend on the performance of underlying interests. Unless otherwise specified in the applicable product supplement or pricing supplement, the Bank does not guarantee that any of the principal amount of Notes will be paid at maturity or that any return will be paid on Notes. Purchasers could lose all or substantially all of their investment in Notes. Notes are not appropriate investments for persons who do not understand the risks associated with structured products or derivatives. Purchasers should read carefully the “Risk Factors” section in this Prospectus and in each of the applicable product supplement and pricing supplement.**

Notes offered under this Prospectus may not be conventional notes or debt securities. Unless otherwise specified in the applicable product supplement or pricing supplement, there is no assurance that any of the principal amount of the Notes will be paid at or before maturity, other than the minimum payment amount specified in the applicable product supplement or pricing supplement. In addition, Notes may not provide holders with a return or income stream prior to maturity calculated by reference to a fixed or floating rate of interest determinable prior to maturity. An investment in Notes, unlike traditional debt obligations of Canadian chartered banks, may be uncertain in that they could produce no return on a purchaser’s original investment or not repay any of their principal amount at or prior to maturity or otherwise, other than the minimum payment amount specified in the applicable product supplement or pricing supplement.

In compliance with applicable Canadian securities laws, the Bank has filed an undertaking with the securities regulators in each province and territory of Canada that it will not distribute any Notes that are considered novel specified derivatives (as such terms are defined under applicable Canadian securities laws) at the time of distribution without pre-clearing with such securities regulators the disclosure contained in the product supplements or pricing supplements pertaining to such Notes.

The Notes will be offered severally by one or more of Scotia Capital Inc. (“Scotia Capital”), Laurentian Bank Securities Inc. and Desjardins Securities Inc. and other dealers that may be appointed from time to time (collectively, the “Investment Dealers”). Under a dealer agreement dated March 26, 2013, as may be amended from time to time, between the Bank and the Investment Dealers, the Notes may be purchased or offered at various times by any of the Investment Dealers, as agent, underwriter or principal, at prices and commissions to be agreed upon, for sale to the public at prices to be negotiated with purchasers. Sale prices may vary during the distribution period and as between purchasers. The Bank may also offer the Notes to purchasers directly, pursuant to applicable law, at prices and on terms to be negotiated. The applicable pricing supplement will identify each Investment Dealer engaged in connection with the offering and sale of any Notes, and will also set forth the terms of the offering of such Notes including the net proceeds to the Bank and, to the extent applicable, any fees payable to the Investment Dealers. The

offerings are subject to approval of certain legal matters on behalf of the Bank by Stikeman Elliott LLP and on behalf of the Investment Dealers by Torys LLP.

Scotia Capital will be involved in the decision to distribute Notes hereunder and in the determination of the terms of each particular offering of Notes. **Scotia Capital is a wholly owned subsidiary of the Bank. Consequently, the Bank is a related and connected issuer of Scotia Capital within the meaning of applicable securities legislation. See "Plan of Distribution".**

The head office of the Bank is located at 1709 Hollis Street, Halifax, Nova Scotia B3J 3B7 and its executive offices are located at Scotia Plaza, 44 King Street West, Toronto, Ontario M5H 1H1.

## TABLE OF CONTENTS

	Page
Forward-looking Statements.....	4
Documents Incorporated by Reference .....	5
About this Prospectus for Notes.....	6
Currency and Accounting Information .....	6
Business of the Bank.....	7
Description of the Notes .....	7
Earnings Coverage.....	16
Plan of Distribution .....	17
Secondary Market For Notes.....	18
Risk Factors.....	19
Use of Proceeds .....	21
Interests of Experts .....	21
Legal Matters.....	22
Purchasers' Statutory Rights .....	22
Certificate of the Bank.....	C-1
Certificate of the Dealers.....	C-2

### 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 U.S. 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, 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," "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 companies, 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, purchasers and others should carefully consider the preceding factors as well as 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**

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:

- (a) the Bank's annual information form dated December 7, 2012, for the year ended October 31, 2012 (the "Annual Information Form");
- (b) the Bank's management proxy circular attached to the notice of meeting dated February 12, 2013;
- (c) the Bank's consolidated statements of financial position as at October 31, 2012, October 31, 2011 and November 1, 2010, the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years ended October 31, 2012 and October 31, 2011, and notes, comprising a summary of significant accounting policies and other explanatory information together with the auditors' report thereon;
- (d) the Bank's management's discussion and analysis of financial condition and results of operations for the year ended October 31, 2012 (the "Annual MD&A");
- (e) the Bank's consolidated interim financial statements (unaudited) and management's discussion and analysis of financial condition and results of operations for the three and six months ended April 30, 2013; and

- (f) the Bank's material change report dated June 3, 2013 relating to the retirement of the Bank's Chief Executive Officer, Rick Waugh, effective November 1, 2013 and the appointment of Brian Porter to the role of President and Chief Executive Officer of the Bank effective November 1, 2013.

**Any documents of the type referred to in the preceding paragraph (excluding confidential material change reports) and any other disclosure documents required to be incorporated by reference in this Prospectus, filed by the Bank with a securities regulatory authority in Canada after the date of this Prospectus and prior to the completion or withdrawal of any offering hereunder, will be deemed to be incorporated by reference in this Prospectus.**

**Any statement contained or contemplated in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for purposes of this Prospectus 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 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.**

Upon a new management proxy circular, annual information form or new annual financial statements, together with the auditors' report thereon and management's discussion and analysis contained therein, being filed by the Bank with the applicable securities regulatory authority during the term of this Prospectus, the previous annual information form, management proxy circular, annual financial statements or management's discussion and analysis, as applicable, and all interim financial statements and information circulars, as applicable, filed prior to the commencement of the Bank's financial year in respect of which the new management proxy circular, annual information form or annual financial statements are filed (and all material change reports filed prior to the end of such financial year) shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Notes hereunder.

### **About this Prospectus for Notes**

The Notes will be described in three separate documents: (1) this Prospectus, (2) a product supplement which generally describes a particular type of Note the Bank may issue (a "product supplement") under the program being described in this Prospectus, and (3) a prospectus supplement that contains the specific terms (including pricing information) about the Notes being offered (a "pricing supplement"). In respect of any particular Notes the Bank may offer under the program described in this Prospectus, this Prospectus together with the applicable product supplement and pricing supplement will collectively constitute the "prospectus" for such Notes. Since the specific terms of Notes that the Bank may offer may differ from the general information provided in this Prospectus, in all cases purchasers should rely on the information in the applicable product supplement and pricing supplement where it differs from that in this Prospectus and should rely on the information in the applicable pricing supplement where it differs from that in the applicable product supplement.

### **Currency and Accounting Information**

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

Unless otherwise indicated, all amounts appearing under “Earnings Coverage” are derived from the consolidated financial statements of the Bank, which are presented in accordance with International Financial Reporting Standards (IFRS).

### **Business of the Bank**

The Bank is a Canadian chartered bank under the *Bank Act* (Canada), which is the charter of the Bank and governs its operations.

The Bank is one of North America’s premier financial institutions and is Canada’s most international bank. Through its team of more than 83,000 employees, the Bank and its affiliates offer a broad range of products and services, including personal, commercial, corporate and investment banking to over 19 million customers in more than 55 countries.

Additional information with respect to the Bank’s business, including a list of the principal subsidiaries directly or indirectly owned or controlled by the Bank, is incorporated by reference from the Bank’s Annual Information Form. The Annual Information Form also includes information regarding the Bank’s credit ratings from various rating agencies. Purchasers should consult the relevant rating organization with respect to the interpretation and implications of such rating. Any such rating should not be construed as a recommendation to buy, sell or hold the Notes offered. Ratings may be revised or withdrawn at any time by the respective rating organizations.

### **Description of the Notes**

The Notes will be issued from time to time during the 25 month period that this Prospectus remains valid in an aggregate principal amount outstanding on the date of issue not to exceed \$1,000,000,000, or the equivalent Canadian dollar amount at the date of issue for Notes that are issued in currencies or currency units other than Canadian dollars.

The Notes will be direct, unconditional obligations of the Bank. The Notes will be issued on an unsecured and unsubordinated basis and will rank equally, as among themselves, and with all other outstanding direct, unsecured and unsubordinated, present and future obligations (except as otherwise prescribed by law) of the Bank, and will be payable rateably without any preference or priority. **The Notes will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act*.**

The Notes will be issued in one or more tranches of one or more series. The specific terms of any offering of Notes not described herein including, without limitation, the initial offering price, any discount or commission to be paid to any Investment Dealers, the aggregate principal amount, currency, issue price and maturity date of the Notes being offered, applicable fees and the proceeds to the Bank, will be set forth in the applicable product supplement and pricing supplement that will accompany this Prospectus.

### **Principal at Risk**

The applicable product supplement and pricing supplement for the Notes will specify the amount of the principal of the Notes that is “protected”, which amount may be as little as 1% of the principal amount of such Notes. Notes in respect of which the Bank will repay a minimum principal amount in excess of 1% of the principal are referred to as “partially principal protected notes”. All other Notes offered under this Prospectus are “non-protected notes”, which means that all but 1% of the principal amount of such Notes will be fully exposed and an investor could lose substantially all of its investment.

## Type of Notes

The Bank may issue linked Notes pursuant to this Prospectus and applicable product supplement and pricing supplement. A Note of this type provides that the principal amount payable at its maturity, and/or the amount of interest, if any, payable on an interest payment date, will be determined, in whole or in part, by reference to:

- (a) one or more securities or financial instruments including, but not limited to, the market price or yield of such securities or financial instruments;
- (b) units, interests or other securities of one or more publicly or privately offered investment funds or portfolios including, but not limited to, the net asset value, market price or yield of such units, interests or other securities;
- (c) one or more currencies;
- (d) the value or price of any commodity or other asset;
- (e) one or more models or formulae;
- (f) any other financial, economic or other measure or instrument including, but not limited to, an exchange rate, interest rate, consumer price or other variable index or reference point, or the occurrence or non-occurrence of any event or circumstance; or
- (g) baskets or combinations of any of the foregoing;

(collectively, the “underlying interests”).

A holder of a Note may receive an amount at maturity that is greater than or less than the face amount of such Note depending upon the value, level or price at maturity of the underlying interests to which the return or interest payable on such Note is linked. That value, level or price may fluctuate over the term of the Note. The relevant product supplement and pricing supplement will include information about the relevant underlying interests and how amounts that are to become payable will be determined by reference to such underlying interests. In addition, the relevant product supplement together with a pricing supplement will specify whether a Note will be exchangeable for cash, securities of an issuer other than the Bank or other property.

Notes linked to underlying interests carry significant risks not associated with conventional fixed rate or floating rate debt securities. These risks include the possibility that a holder may receive little or no principal, interest or other return or may receive payments at different times than expected. **Unless otherwise specified in the applicable pricing supplement under which a Note is offered, the Bank does not guarantee the repayment of the principal amount of any Note, and does not guarantee that any return will be paid on any Note. Notes are not appropriate investments for persons who do not understand the risks associated with structured products or derivatives. Purchasers should read carefully the “Risk Factors” section in this Prospectus and in each of the applicable product supplement and pricing supplement.**

## Information about the Notes in the Product Supplements and Pricing Supplements

A product supplement together with a pricing supplement will describe the specific terms of the Notes being offered including, to the extent applicable:



- (a) the specific designation or title of the offered Notes and the series in which the Notes will be included;
- (b) any limit on the aggregate principal amount of the offered Notes;
- (c) the stated maturity of the offered Notes;
- (d) the price at which the offered Notes will be sold, or how the price will be determined if Notes are offered on a non-fixed price basis, and the amount payable upon maturity of the Notes;
- (e) the type of consideration, if any, to be delivered to the holders of the Notes upon the discharge of the Notes of such series when due or upon redemption, if all or any portion of such consideration is to be other than money;
- (f) details with respect to each underlying interest to which the Notes are linked, including the basis upon which the price, value or level of the underlying interest or any component thereof will be determined, and any special circumstances which could result in an adjustment, acceleration or delay in the manner in which such underlying interest is calculated;
- (g) if the underlying interest comprises more than one component or a basket of components that are determined from time to time by a manager designated in the applicable product supplement or pricing supplement based on selection criteria set out in such supplement(s) (a “**Notional Portfolio**”), the weight of each component or the expected initial weight of each component to form part of the Notional Portfolio;
- (h) whether Notes may be optionally or mandatorily exchanged for equity securities of an issuer that is not affiliated with the Bank or for the cash value of the underlying interest;
- (i) when and how the principal and any premium or interest on the offered Notes will be payable and how each of the principal and any premium or interest on the Notes will be calculated;
- (j) any minimum amount or portion of the principal of the Notes that is “protected” or that the Bank agrees to repay;
- (k) any risk factors in addition to those described in this Prospectus that should be considered in connection with the purchase of Notes;
- (l) the commissions, fees or expenses payable by the Bank or any of its affiliates in connection with the issue, maintenance or administration of, or provision of services in respect of, the Notes;
- (m) the market disruption events which may trigger an acceleration or postponement of the maturity or amounts payable under the Notes;
- (n) if the Notes are to be issued under an indenture;
- (o) the identity of the registrar and transfer agent if different than the Fiscal Agent (as defined herein);
- (p) any special rights of the holders of the Notes upon the occurrence of specified events;

- (q) any additional obligations of the Bank with respect to the particular Notes offered or any changes to the Bank's obligations from the obligations described in this Prospectus;
- (r) whether the Notes described therein will be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans, deferred profit sharing plans and tax-free savings accounts, each within the meaning of the *Income Tax Act* (Canada);
- (s) any other specific Canadian income tax considerations that may apply to the Notes;
- (t) whether the Notes will be listed on a stock exchange or traded through a distributor on the FundSERV Inc. ("FundSERV") network or another quotation system; and
- (u) any other terms of the Notes that pertain specifically to such Notes.

The Bank may set forth in a product supplement or pricing supplement variable terms which are not within the options and parameters set forth in this Prospectus.

The Bank may from time to time, without the consent of the existing holders of any Notes, create and issue further Notes of the same or a different series having the same terms and conditions as such Notes in all respects.

### **Currency Denomination**

Unless specified otherwise in a product supplement or pricing supplement, the Notes will be denominated in Canadian dollars and all amounts payable on the Notes will be paid in Canadian dollars.

### **Maturity Date**

Each Note will have a stated maturity date and may be subject to redemption or repayment before its stated maturity date, as specified in the applicable product supplement and pricing supplement.

### **Amounts Payable on Notes**

Except as provided in the applicable product supplement or pricing supplement, amounts payable at or prior to maturity or on redemption or repayment of the Notes, variable return rates (including interest rates), variable return formulas and other variable terms of the Notes are subject to change by the Bank from time to time, but no change will affect any Note already issued, or as to which the Bank has accepted an offer to purchase, without the holder's consent. Such amounts and variable returns with respect to Notes offered by the Bank may differ depending upon a number of factors. The Bank may at any time concurrently offer Notes with similar variable terms but different amounts payable or variable return rates. The Bank may also concurrently offer Notes having different variable terms to different purchasers.

The variable return for each Note providing a variable return will be calculated from the date of issue, unless otherwise specified in the applicable product supplement or pricing supplement, pursuant to the formula or method of determination stated in the applicable Note and in the applicable product supplement or pricing supplement, until the amount payable at maturity of the Note is paid or made available for payment. Unless otherwise specified in the applicable product supplement or pricing supplement, payments of variable returns will be made in arrears on each payment date specified in the applicable product supplement or pricing supplement on which an instalment of variable return is due and payable at maturity. Unless otherwise indicated in the applicable product supplement or pricing supplement, Scotia Capital, a wholly-owned subsidiary of the Bank, will be the Calculation Agent (as

defined herein). Where the Bank or one of its affiliates is the Calculation Agent, it will discharge its duties in such capacity honestly and in good faith.

### **Redemption at the Option of the Bank**

The Bank may redeem Notes at its option prior to their maturity date if a redemption right is specified in the applicable product supplement or pricing supplement. The amount payable upon redemption of Notes will be determined as specified in the applicable pricing supplement. Unless otherwise specified in the applicable product supplement or pricing supplement, the Bank must give written notice thereof to registered holders of the Notes to be redeemed at the Bank's option not more than 60 nor less than 30 calendar days prior to the date of redemption. The Notes will not be subject to, or entitled to the benefit of, any sinking fund.

### **Repayment at the Option of the Holder**

If an optional repayment date is specified in the applicable product supplement or pricing supplement for particular Notes, registered holders of such Notes may require the Bank to repay those Notes prior to their maturity date on any optional repayment date in whole or, from time to time, in part in increments of \$100 or any other integral multiple of an authorized denomination specified in the applicable pricing supplement (provided that any remaining principal amount thereof is at least \$100 or other minimum authorized denomination applicable thereto), at the repayment price or prices specified in the product supplement or pricing supplement, together with unpaid interest accrued thereon to the date of repayment. A registered holder's exercise of any repayment option will be irrevocable.

For any Note to be repaid, the Fiscal Agent must receive notice, at the address specified in the applicable product supplement or pricing supplement, not more than 60 nor less than 30 calendar days prior to the date of repayment, specifying the particular Notes to be repaid and, in the case of a book-entry Note, repayment instructions from the applicable beneficial owner to the depository and forwarded by the depository. Only the depository may exercise the repayment option in respect of Notes in book-entry form. Accordingly, beneficial owners of Notes that desire to have all or any portion of book-entry Notes repaid must instruct the participant through which they own their interest to direct the depository to exercise the repayment option on their behalf by forwarding the repayment instructions to the Fiscal Agent. In order to ensure that these instructions are received by the Fiscal Agent on a particular day, the applicable beneficial owner must instruct the participant through which it owns its interest before that participant's deadline for accepting instructions for that day. Different firms may have different deadlines for accepting instructions from their customers. Accordingly, beneficial owners should consult with the participant through which they hold their beneficial interest in Notes for the respective deadlines. In addition, at the time repayment instructions are given, each beneficial owner must cause the participant through which it owns its interest to transfer the beneficial owner's interest in the Notes in book-entry form, on the depository's records, to the Fiscal Agent. See "Book-Entry Only Notes".

### **Purchase of Notes by the Bank**

The Bank may at any time purchase or cause its affiliates to purchase Notes at any price or prices in the open market or otherwise. Notes so purchased may, at the discretion of the Bank or its affiliates, be held, resold or surrendered for cancellation.

### **Book-Entry Only Notes**

Unless otherwise specified in the applicable product supplement or pricing supplement, upon issuance, the Notes will be issued in "book-entry only" form and will be represented by a fully registered global note ("Global Note"). Notes issued in "book-entry only" form must be purchased, transferred or redeemed through participants ("CDS Participants") in the depository service of CDS Clearing and

Depository Services Inc. ("CDS"). Each of the Investment Dealers will be a CDS Participant or will have arrangements with a CDS Participant. On the closing of a "book-entry only" offering, the Bank may cause a global certificate or certificates representing the aggregate number of Notes subscribed for under such offering to be delivered to, and registered in the name of, CDS. Except as described below, no purchaser of Notes will be entitled to a certificate or other instrument from the Bank or CDS evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by CDS except through a book-entry account of a CDS Participant acting on behalf of such purchaser. Each purchaser of Notes will receive a customer confirmation of purchase from the registered dealer from which the Notes are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but, generally, customer confirmations are issued promptly after execution of a customer order. CDS will be responsible for establishing and maintaining book-entry accounts for the CDS Participants having interests in the Notes. Reference in this Prospectus to a holder of Notes means, unless the context otherwise requires, the owner of the beneficial interest in the Notes.

If the depository for any of the Notes represented by a Global Note is at any time unwilling or unable to continue to properly discharge its responsibilities as depository, and a successor depository is not appointed by the Bank within 90 days, the Bank will issue Notes in definitive form in exchange for the Global Note that had been held by the depository.

In addition, the Bank may at any time and in its sole discretion decide not to have any of the Notes represented by one or more Global Notes. If the Bank makes that decision, the Bank will issue Notes in definitive form in exchange for all of the Global Notes representing the Notes.

Except in certain circumstances outlined in this Prospectus or the applicable product supplement or pricing supplement, beneficial owners of the Notes will not be entitled to have any portions of such Notes registered in their name, will not receive or be entitled to receive physical delivery of the Notes in definitive form and will not be considered the owners or holders of a Global Note.

Any Notes issued in definitive form in exchange for a Global Note will be registered in the name or names that the depository gives to the Bank or its agent, as the case may be. It is expected that the depository's instructions will be based upon directions received by the depository from CDS Participants with respect to ownership of beneficial interests in the Global Note that had been held by the depository.

The text of any Notes issued in definitive form will contain such provisions as the Bank may deem necessary or advisable. The Bank will keep or cause to be kept a register in which will be recorded registrations and transfers of Notes in definitive form if issued. Such register will be kept at the offices of the Bank, or at such other offices notified by the Bank to holders of Notes.

No transfer of a definitive Note will be valid unless made at such offices upon surrender of the certificate in definitive form for cancellation with a written instrument of transfer in form and as to execution satisfactory to the Bank or its agent, and upon compliance with such reasonable conditions as may be required by the Bank or its agent and with any requirement imposed by law, and entered on the register.

Payments on a definitive Note will be made by cheque mailed to the applicable registered holder at the address of the holder appearing in the aforementioned register in which registrations and transfers of Notes are to be recorded or, if requested in writing by the holder at least fifteen days before the date of the payment and agreed to by the Bank, by electronic funds transfer to a bank account nominated by the holder with a bank in Canada. Payment under any definitive Note is conditional upon the holder first delivering the Note to the Bank who reserves the right, in the case of payment of any amounts prior to the maturity date of the Note, to mark on the Note that the applicable amount has been paid in full or, in the case of payment of all amounts under the Note in full at any time, to retain the Note and mark the Note as cancelled.

### *Transfer, Conversion or Redemption of Notes*

Transfers of ownership, conversions or redemptions of Notes will be effected through records maintained by CDS for such Notes with respect to interests of CDS Participants, and on the records of CDS Participants with respect to interests of persons other than CDS Participants. CDS will be responsible for establishing and maintaining book-entry accounts for the CDS Participants having interests in the Notes. Holders of the Notes who desire to purchase, sell or otherwise transfer ownership of, or other interests in, the Notes may do so only through CDS Participants.

The ability of a holder to pledge a Note or otherwise take action with respect to such holder's interest in a Note (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

### *Payments and Notices*

Payments of principal, redemption price, if any, premium, if any, and interest, if any, as applicable, on each Note will be made by the Bank to CDS, as the case may be, as the registered holder of the Note and the Bank understands that such payments will be credited by CDS in the appropriate amounts to the relevant CDS Participants. Payments to holders of Notes of amounts so credited will be the responsibility of the CDS Participants.

As long as CDS is the registered holder of the Notes, CDS will be considered the sole owner of the Notes for the purposes of receiving notices or payments on the Notes. In such circumstances, the responsibility and liability of the Bank in respect of notices or payments on the Notes is limited to giving or making payment of any principal, redemption price, if any, premium, if any, and interest, if any, due on the Notes to CDS.

Each holder of a Note must rely on the procedures of CDS and, if such holder is not a CDS Participant, on the procedures of the CDS Participant through which such holder owns its interest, to exercise any rights with respect to the Notes. The Bank understands that under existing policies of CDS and industry practices, if the Bank requests any action of holders of the Notes or if a holder of the Notes desires to give any notice or take any action which a registered holder is entitled to give or take with respect to the Notes, CDS would authorize the CDS Participant acting on behalf of the holder to give such notice or to take such action, in accordance with the procedures established by CDS or agreed to from time to time by the Bank, any trustee identified in the applicable product supplement or pricing supplement and CDS. Any holder of a Note that is not a CDS Participant must rely on the contractual arrangement it has directly or indirectly through its financial intermediary, with a CDS Participant to give such notice or take such action.

None of the Bank, the Investment Dealers and any trustee identified in the applicable product supplement or pricing supplement will have any liability or responsibility for: (i) records maintained by CDS relating to beneficial ownership interest in the Notes held by CDS or the book-entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to any such beneficial ownership interest; or (iii) any advice or representation made by or with respect to CDS and contained herein or in any trust indenture with respect to the rules and regulations of CDS or at the direction of the CDS Participants.

### **Deferred Payment**

Under the *Criminal Code* (Canada), a lender is prohibited from entering into an agreement or arrangement to receive interest at an effective annual rate of interest, calculated in accordance with generally accepted actuarial practices and principles, exceeding 60% of the credit advanced under the agreement or arrangement. The Bank will not, to the extent permitted by law, voluntarily claim the benefits of any laws concerning usurious rates of interest. If not permitted by law to do so, when any payment is to be

made by the Bank to a holder of the Notes, payment of a portion of such amount may be deferred to ensure compliance with such laws.

### **Notices to Holders of the Notes**

All notices to the holders of the Notes will be validly given if (i) given through CDS to CDS participants, (ii) published once in a widely circulated edition of a French language Québec newspaper and in the national edition of a widely circulated edition of an English language Canadian newspaper, or (iii) by mail.

### **Modification and Waiver**

The Global Note of any series of Notes and the terms of the Notes may be amended without the consent of the holders of such series of Notes by agreement between the Bank and each of the applicable Investment Dealers, as the case may be, if, in the reasonable opinion of the Bank and each of such Investment Dealers, the amendment would not materially and adversely affect the interests of such holders or if the amendment is otherwise permitted to be made by the Calculation Agent. In all other cases, the terms of the Notes of a series outstanding may be amended by the Bank if the Bank proposes the amendment and the amendment is approved by a resolution passed by holders representing not less than 66 $\frac{2}{3}$ % of the aggregate principal amount of the outstanding Notes of such series represented at a meeting convened for the purpose of considering the resolution. The quorum for a meeting of holders of Notes is at least two holders represented in person or by proxy holding at least 10% of the aggregate principal amount of the outstanding Notes of a series. If a quorum is not present at a meeting within 30 minutes after the time fixed for the meeting, the meeting will be adjourned to another day, not less than 10 days or more than 21 days later, selected by the Bank. The holders present at the adjourned meeting will constitute a quorum. Each holder is entitled to one vote per Note of a series held by such holder for the purposes of voting at meetings convened to consider a resolution. The Notes do not carry the right to vote in any other circumstances.

The holders of not less than a majority of the aggregate principal amount of the outstanding Notes of any series may waive past defaults under the Notes and waive compliance by the Bank with certain provisions of the Notes, except as described under “Events of Default”.

### **Events of Default**

Each of the following will constitute an event of default (an “Event of Default”) with respect to Notes of any series (i) default in the payment of any amounts payable to purchasers on any Note of that series when due, if such default is not remedied on or before the fifth Business Day after notice of such default is given to the Bank; and (ii) if the Bank becomes insolvent or bankrupt or resolves to wind-up or liquidate or is ordered to be wound-up or liquidated.

The *Winding-up and Restructuring Act* (Canada) provides that the Bank is deemed insolvent if, among other things, a creditor has served a written demand on the Bank to pay an amount due and the Bank has neglected to pay the sum for 60 days.

If an Event of Default occurs and is continuing for Notes of any series, the holders of not less than 25% of the aggregate principal amount of the outstanding Notes of that series may declare all amounts, or any lesser amount provided for in the Notes of that series, to be immediately due and payable. At any time after the holders have made such a declaration of acceleration with respect to the Notes of any series but before a judgment or decree for payment of money due has been obtained, the holders of a majority of the aggregate principal amount of the outstanding Notes of that series may rescind any such declaration of acceleration and its consequences, provided that all payments due, other than those due as a result of acceleration, have been made and all Events of Default with respect to the Notes of that series, other than

the non-payment of the principal of the Notes of that series which has become due solely by such declaration of acceleration, have been remedied or waived.

The holders of a majority of the aggregate principal amount of the outstanding Notes of any series may waive an Event of Default, on behalf of the holders of all the Notes of such series, except a default:

- in the payment of any amounts due and payable under the Notes of such series; or
- in respect of an obligation of the Bank contained in, or a provision of, a Note certificate which cannot be modified under the terms of the Note certificate without the consent of the holder of each outstanding Note of the series affected.

The holders of a majority of the aggregate principal amount of the outstanding Notes of any series may direct the time, method and place of conducting any proceeding for any remedy or exercising any rights with respect to the Notes, provided that such direction does not conflict with any applicable law or the Notes certificate.

The Notes will not have the benefit of any cross-default provisions with other indebtedness of the Bank.

### **Calculation Agent**

Scotia Capital has been appointed as the registrar, transfer agent and fiscal agent (the “Fiscal Agent”) and as the calculation agent (the “Calculation Agent”) in respect of the Notes. Unless otherwise specified in the applicable product supplement or pricing supplement relating to specific Notes to be offered and sold, Notes will be issued pursuant to and have the benefit of a fiscal agency and calculation agency agreement made as of March 26, 2013, as may be amended from time to time, between the Bank and Scotia Capital (the “Fiscal Agency and Calculation Agency Agreement”). The Bank may from time to time, without the consent of holders of Notes, appoint a Fiscal Agent and/or a Calculation Agent other than or in addition to Scotia Capital in respect of any particular series of Notes and, in such case, the Bank will notify holders of the affected Notes within a reasonable time of such appointment.

Among other things, the Fiscal Agency and Calculation Agency Agreement sets out the procedures to be followed in connection with the calculation of amounts payable in respect of the Notes, the payment by the Bank of amounts in respect of the Notes, notification to noteholders, the holding of noteholder meetings and other administrative matters in respect of the Notes.

A copy of the Fiscal Agency and Calculation Agency Agreement is available at [www.sedar.com](http://www.sedar.com).

See “Risk Factors” for a discussion of potential conflicts of interest between purchasers of Notes and the Calculation Agent.

### **Independent Calculation Experts**

If, in connection with a Special Circumstance or Extraordinary Event, as defined in the applicable product supplement, a determination contemplated to be made by the Calculation Agent in respect of any Notes involves the application of material discretion as determined by the Calculation Agent, acting reasonably, and is not based on information or calculation methodologies compiled, utilized or provided by, or derived from, independent third party sources (including hedge counterparties), the Bank will appoint at its cost an independent calculation expert (an “Independent Calculation Expert”) to confirm such determination at the times, in the manner and for the purposes described in the applicable product supplement or pricing supplement. Independent Calculation Experts will be independent and will be active participants in significant markets in respect of which determinations are required to be made. For the purposes hereof, “independent” means that the expert is not the Bank or an “insider”, “associate” or

“affiliate” of the Bank as such terms are defined in the *Securities Act* (Ontario), as amended. Independent Calculation Experts will act as independent experts and will not assume any obligation or duty to, or any relationship of agency or trust for or with, holders of Notes or the Bank. Determinations made by such Independent Calculation Experts will (except in the case of manifest error) be final and binding on the Bank, the Calculation Agent and the holders of Notes. Independent Calculation Experts will not be responsible for good faith errors or omissions in making any such determinations. Independent Calculation Experts may, acting honestly and reasonably at all times, with the Bank’s consent delegate any of their obligations and functions to another independent person as they deem appropriate.

If the Independent Calculation Expert appointed by the Bank to review and confirm a determination made by the Calculation Agent disagrees with the reasonableness of the discretionary aspects of the Calculation Agent’s determination, the Bank will appoint at its cost two additional Independent Calculation Experts. Each of the three Independent Calculation Experts will repeat the determination having regard to the basis, factors and considerations properly applicable to the initial determination by the Calculation Agent, and the average of such determination by the Independent Calculation Experts will be final and binding on the Bank, the Calculation Agent and the holders of Notes.

### **No Deduction or Withholding**

The Bank will pay any amounts to be paid by it on the Notes without deduction or withholding for, or on account of, any and all present or future income, stamp and other taxes, levies, imposts, duties, charges, fees, deductions or withholdings now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of Canada or any Canadian political subdivision or authority that has the power to tax, unless the deduction or withholding is required by law or by the interpretation or administration thereof by the relevant governmental authority.

### **Costs and Fees**

If specified in the relevant pricing supplement, certain costs, fees, expenses and other charges may be applied in determining the amount payable on Notes. If applicable, such amounts will reduce the amount payable in respect of the Notes.

### **Governing Law**

Unless otherwise specified in a product supplement or a pricing supplement, the Notes will be governed by and construed in accordance with the laws of Ontario and the laws of Canada applicable therein.

### **Earnings Coverage**

The following earnings coverage ratios do not reflect the issuance of Notes under this Prospectus.

The Bank’s dividend requirements on its outstanding preferred shares, adjusted to a before-tax equivalent using a statutory income tax rate of 26.40% for the 12 months ended October 31, 2012 and 26.13% for the 12 months ended April 30, 2013, amounted to \$299,442,710 for the 12 months ended October 31, 2012 and \$298,348,226 for the 12 months ended April 30, 2013.

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 \$513 million for the 12 months ended October 31, 2012 and \$507 million for the 12 months ended April 30, 2013. The Bank’s earnings before interest and income tax for the 12 months ended October 31, 2012 were \$8,559 million, which was 29.3 times the Bank’s aggregate dividend and interest requirements for that period, and the Bank’s earnings before interest and income tax for the 12 months ended April 30, 2013 were



\$8,926 million, which was 30.8 times the Bank's aggregate dividend and interest requirements for that period.

All amounts appearing under this heading "Earnings Coverage" are derived from financial information which is unaudited and prepared in accordance with International Financial Reporting Standards (IFRS).

### **Plan of Distribution**

The Notes will be offered severally by one or more of the Investment Dealers. Under a dealer agreement dated March 26, 2013, as may be amended from time to time, between the Bank and the Investment Dealers, the Notes may be purchased or offered at various times by any of the Investment Dealers, as agent, underwriter or principal at prices and commissions to be agreed upon, for sale to the public at prices to be negotiated with purchasers. Sale prices may vary during the distribution period and between purchasers. The Bank may also offer the Notes to purchasers directly, pursuant to applicable law, at prices and terms to be negotiated. At the same time that an Investment Dealer or Investment Dealers offers the Notes, the Bank may issue other debt securities.

The Bank's wholly owned subsidiary, Scotia Capital, is one of the Investment Dealers. **The Bank is a related and connected issuer of Scotia Capital within the meaning of applicable securities legislation in connection with any offering of Notes hereunder.** Scotia Capital is expected to be involved in any decision to distribute Notes hereunder and in determining the terms of each particular offering of Notes. The terms of an offering of Notes will be settled by Scotia Capital as agent of the Bank. The pricing supplement applicable to each offering of Notes will identify the specific Investment Dealers, if any, offering the Notes and will specify at least one Investment Dealer, other than Scotia Capital, that will have participated in the due diligence performed in respect of, but may not have participated in the structuring and pricing of, the offering of such Notes.

The Bank or Scotia Capital, as agent on behalf of the Bank, may enter into arrangements to hedge the Bank's risks associated with its obligations under the Notes. The Bank may agree that Scotia Capital may retain all or a portion of any profits, and may be required to compensate the Bank for all or a portion of any losses, resulting from such hedging arrangements. In addition, Scotia Capital is the Calculation Agent and the Fiscal Agent in respect of the Notes. Scotia Capital may also undertake to facilitate a secondary market for the Notes, if so specified in the applicable product supplement or pricing supplement, including by purchasing Notes as principal and reselling such acquired Notes. Scotia Capital may receive a commission for acting as an Investment Dealer in connection with the distribution of Notes hereunder and may earn a profit in connection with the acquisition or disposition of Notes acting as principal. In addition, Scotia Capital may receive a structuring fee in connection with structuring particular Notes, such fee to be specified in the applicable product supplement or pricing supplement.

In connection with the offering of Notes, the Investment Dealers may over-allot or effect transactions which stabilize or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Bank may withdraw, cancel or modify any offering of Notes without notice and may reject orders in whole or in part (whether placed directly by the Bank or through the Investment Dealers). Each Investment Dealer may, in its discretion reasonably exercised, reject in whole or in part any order to purchase Notes received by it.

The Investment Dealers or their affiliates may solicit offers to purchase or sell the Notes outside Canada only with the consent of the Bank and in accordance with applicable law and only where the Notes may lawfully be sold on a basis exempt from the prospectus and registration requirements or similar requirements of any such jurisdiction. No action has been taken or will be taken in any jurisdiction other

than Canada that would permit a public offering of the Notes, or the possession, circulation or distribution of any prospectus or any other material relating to the Bank or the Notes in any country or jurisdiction where action for that purpose is required.

The Notes are not, and will not be, registered under the U.S. Securities Act, and the Investment Dealers have agreed not to (1) buy or offer to buy, (2) sell or offer to sell, or (3) solicit any offer to buy any Notes as part of any distribution hereunder in the United States, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, a U.S. Person, except pursuant to exemptions from the U.S. Securities Act.

### **Secondary Market For Notes**

Unless otherwise indicated in a product supplement or a pricing supplement, the Notes will not be listed on any securities exchange.

Each of the Investment Dealers may from time to time purchase and sell Notes in the secondary market, but no Investment Dealer is obligated to do so, and there is no assurance that there will be a secondary market for the Notes or liquidity in the secondary market if one develops. From time to time, each of the Investment Dealers may make a market in the Notes, but the Investment Dealers are not obligated to do so and may discontinue any market-making activity at any time.

### **FundSERV**

If specified in the applicable pricing supplement, Notes may be purchased through dealers and other firms that facilitate purchase and related settlement through a clearing and settlement service operated by FundSERV. Notes issued will be represented by one or more Global Notes that will be deposited with a depository. If Notes are purchased from a distributor on the FundSERV network, a holder will have an indirect beneficial interest in the applicable Global Note. That beneficial interest will be recorded in the book-entry system of the depository as being owned by a specific market intermediary, which in turn will record in its books the respective beneficial interests in the Notes purchased from a distributor on the FundSERV network.

If specified in the applicable pricing supplement, resales of Notes may be permitted through a distributor on the FundSERV network. In such case, Notes may be sold prior to the maturity date using the “redemption” procedures of the FundSERV network commencing the day after the issue date. Such sales will be subject to certain procedures, requirements and limitations relating to use of the FundSERV network. Any other sale of Notes will not be recognized. If a holder of Notes wishes to sell all or a part of its holdings, it should consult with its dealer or financial advisor in advance in order to understand the timing and other procedures, requirements and limitations of selling through a distributor on the FundSERV network. To give effect to a sale of Notes through a distributor on the FundSERV network, a noteholder’s dealer or financial advisor must initiate an irrevocable request to “redeem” the applicable Notes in accordance with the then established procedures of FundSERV. The use of the FundSERV network to facilitate redemption procedures for this purpose is a matter of convenience to give effect to a sale transaction within FundSERV’s existing systems and procedures. Despite this terminology, Notes will not be “redeemed”, but rather will be sold through these procedures to Scotia Capital. In turn, Scotia Capital will be able, in its discretion, to resell such Notes to other third parties at negotiated prices or to hold them for its own account. A holder should be aware that, from time to time, the “redemption” procedures of the FundSERV network required to give effect to any resale of Notes may be suspended for any reason without notice, thus effectively preventing a holder of Notes from selling. If a holder requires liquidity, then it should carefully consider this possibility before purchasing Notes.

Generally, to be effective on a business day, a redemption request will need to be initiated by 1:00 p.m. (Toronto time) on that business day (or such other time as may be established by FundSERV). Any

request received after such time will be deemed to be a request sent and received on the next following business day.

Scotia Capital, in its capacity as Calculation Agent, will act as the “fund sponsor” for the purpose of calculating and posting daily the “net asset value” in relation to Notes purchased from a distributor on the FundSERV network. The sale price will represent the price at which Scotia Capital may offer to purchase Notes from holders in connection with a secondary market transaction. Such price will be determined as of the close of business on the applicable business day. A sale of a Note will be effected at a sale price equal to (i) the “net asset value” at the close of business on the business day on which the order is placed by Scotia Capital (in its capacity as Calculation Agent) using the FundSERV network, on the following business day, minus (ii) any applicable early trading or other charges as specified in the applicable pricing supplement. Accordingly, a holder will not be able to negotiate a sale price for Notes.

There is no guarantee that the sale price for any day will be the highest possible price available in any secondary market for the Notes, but it will represent a bid price generally available to noteholders, including clients of Scotia Capital, as at the relevant close of business. The “net asset value” of a Note at any time will generally depend on, among other things, (a) how much the levels or prices of the underlying interests have risen or fallen since the date of issue of the Notes, (b) the principal amount of the Note, if any, that is guaranteed to be payable on the maturity date, (c) a number of other interrelated factors including, without limitation, volatility in the levels or prices of the underlying interests, the level of interest rates in the applicable markets, dividend yields on any of the securities, if any, comprising the underlying interest, and the maturity date, and (d) if applicable, factors related to the early redemption of the Notes, such as the redemption price or date. The relationship among these factors is complex and may also be influenced by various political, economic and other factors that can affect the trading price of a Note. The resale price, if any, of a holder’s Notes could be less than the principal amount of such Notes.

A holder may wish to consult its investment advisor on whether it would be more favourable in the circumstances at any time to sell Notes (assuming the availability of a secondary market) or hold Notes until the maturity date.

Information regarding FundSERV can be found at [www.fundserv.com](http://www.fundserv.com). A holder should consult with its financial advisor for further information on FundSERV procedures.

### **Risk Factors**

An investment in Notes is subject to various risks including those risks inherent in conducting the business of a diversified financial institution. Before deciding whether to invest in Notes, purchasers should consider carefully the risks set out herein and incorporated by reference in this Prospectus (including subsequently filed documents incorporated by reference) and, if applicable, those described in the product supplement and pricing supplement relating to a specific offering of Notes. Prospective purchasers should consider the categories of risks identified and discussed in the Annual Information Form and the Annual MD&A, each of which is incorporated herein by reference, including credit risk, market risk, liquidity risk, operational risk, reputational risk and environmental risk.

### **Risks Relating to Underlying Interests**

The principal amount of a Note payable at or before maturity and any variable return or other payment will be determined, in whole or in part, by reference to one or more underlying interests. Accordingly, certain risk factors applicable to a direct investment in the underlying interests are also applicable to an investment in Notes.

## **Principal at Risk; Non-Conventional Debt**

Notes offered under this Prospectus may not be conventional notes or debt securities. If specified in the applicable product supplement or pricing supplement, Notes may provide no assurance that any of the principal amount of the Notes will be paid at or before maturity, other than the minimum payment amount specified in the applicable product supplement or pricing supplement. In addition, Notes may not provide holders with a return or income stream prior to maturity calculated by reference to a fixed or floating rate of interest determinable prior to maturity. An investment in the Notes, unlike traditional debt obligations of Canadian chartered banks, may be uncertain in that the Notes could produce no return on a holder's original investment or the Bank may not repay any principal amount at or before maturity, other than the minimum payment amount specified in the applicable pricing supplement. Prospective purchasers are directed to the applicable product supplement and pricing supplement for the specific terms of the relevant Notes, including the risk factors set out therein.

## **Market for Notes**

Unless otherwise specified in the applicable product supplement or pricing supplement, there may be no market through which the Notes may be sold and holders may not be able to sell Notes. This may affect the pricing of the Notes in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation.

## **Redemption May Adversely Affect Return on the Notes**

If Notes are redeemable or are otherwise subject to any mandatory redemption or repayment by the Bank, such Notes may be redeemed or repaid at times when prevailing interest rates may be relatively low. In such case, a holder generally would not be able to reinvest the redemption proceeds so as to realize an expected return at such time comparable to the return that might have been realized had the Notes not been redeemed or repaid at such time.

## **Conflicts of Interest**

The Bank and its affiliates may, from time to time, in the course of their normal business operations, hold interests linked to the underlying securities or hold securities of, extend credit to or enter into other business dealings with issuers thereof or persons affiliated, associated or in a business relationship with such issuers, including under hedging arrangements relating to the Notes. Each of the Bank and its affiliates has agreed that all such actions taken by it shall be taken based on normal commercial criteria in the particular circumstances, which may include payment of trailer fees. Such actions may not take into account the effect, if any, of such actions on the amount of variable return that may be payable on the Notes. Scotia Capital is the Calculation Agent and may have economic interests adverse to those of holders of Notes, including with respect to certain determinations that the Calculation Agent must make with respect to the Notes.

## **Changes in Laws and Regulations**

Changes in laws and regulations, in particular income tax and securities laws, including how they are interpreted and enforced in applicable jurisdictions, could have an adverse impact on holders of Notes or on the value of the Notes.

## **No Ownership of Underlying Interests**

The Notes will not entitle a holder thereof to any direct or indirect ownership or entitlement to any underlying securities interest, except as specified in the applicable product supplement or pricing supplement. A holder will not be entitled to the rights and benefits of a holder of an underlying interest,

including any right to receive any distributions or dividends or to vote at or attend any meetings of holders of underlying interests that are securities.

### **Pledging**

The ability of a holder of Notes to pledge Notes or otherwise take action with respect to such holder's interest in such Notes (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

### **Credit Risk**

The obligation to make payments to holders of Notes is an obligation of the Bank. Accordingly, the likelihood that such holders will receive payments owing to them in connection with the Notes will be dependent upon the financial health and creditworthiness of the Bank.

### **No Deposit Insurance**

The Notes will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of the deposit taking financial institution. Therefore, a holder will not be entitled to Canada Deposit Insurance Corporation protection.

### **Canadian Investor Protection Fund**

There is no assurance that an investment in the Notes will be eligible for protection under the Canadian Investor Protection Fund. Prospective purchasers should consult a financial advisor for advice as to whether an investment in Notes is eligible for protection in light of such prospective purchaser's particular circumstances.

### **Payments May be Deferred if Returns exceed 60%**

Federal laws of Canada preclude the charging of interest or other amounts for the advancing of credit at effective rates in excess of 60% per annum. Therefore, when the payment at maturity is to be made by the Bank to a holder at maturity, payment of a portion of such payment that would exceed an effective rate in excess of 60% per annum may be deferred to ensure compliance with such laws. The Bank will pay the portion so deferred to the holder together with interest at the Bank's equivalent term deposit rate as soon as Canadian law permits. In addition, the Bank may withhold a portion of any payment to a holder that the Bank is legally able or required to withhold.

### **Use of Proceeds**

Unless otherwise specified in a product supplement or pricing supplement, the net proceeds to the Bank from the sale of Notes will be added to the general funds of the Bank and utilized for general banking purposes.

### **Interests of Experts**

KPMG LLP, Chartered Accountants, Licensed Public Accountants, Toronto, Ontario, are the external auditors who prepared the Independent Auditors' Report to shareholders of the Bank with respect to the consolidated statements of financial position as at October 31, 2012, October 31, 2011 and November 1, 2010, the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years ended October 31, 2012 and October 31, 2011 and notes, comprising a summary of significant accounting policies and other explanatory information. KPMG LLP is independent with respect to the

Bank within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

### **Legal Matters**

Certain legal matters in connection with the offering will be passed upon on behalf of the Bank by Stikeman Elliott LLP and on behalf of the Investment Dealers by Torys LLP. Partners and associates of each of Stikeman Elliott LLP and Torys LLP, as a group, own beneficially, directly and indirectly, as of the date hereof, less than 1% of securities of the Bank and its affiliates and associates.

### **Purchasers' Statutory Rights**

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

**Certificate of the Bank**

Dated: August 19, 2013

This amended and restated short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the *Bank Act* (Canada) and the regulations thereunder and the securities legislation of all provinces and territories of Canada.

(signed) Richard E. Waugh  
Chief Executive Officer

(signed) Sean D. McGuckin  
Executive Vice-President and Chief Financial  
Officer

On behalf of the Board of Directors

(signed) John T. Mayberry  
Director

(signed) Thomas C. O'Neill  
Director

## Certificate of the Dealers

Dated: August 19, 2013

To the best of our knowledge, information and belief, this amended and restated short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) 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.  
(signed) J. Michael Durland

LAURENTIAN BANK SECURITIES INC.  
(signed) Pierre Godbout

DESJARDINS SECURITIES INC.  
(signed) Louis Wermenlinger