

FIRST SUPPLEMENT DATED AUGUST 30, 2017 TO THE PROSPECTUS DATED JUNE 28, 2017



THE BANK OF NOVA SCOTIA

(a Canadian chartered Bank)

and

SCOTIABANK EUROPE PLC

(incorporated with limited liability in England and Wales with registered no. 817692)

U.S.\$20,000,000,000

Euro Medium Term Note Programme

Due from 1 month to 99 years from the date of original issue

The Bank of Nova Scotia (the “**Bank**”) and Scotiabank Europe plc (“**Scotiabank Europe**”) and, together with the Bank, the “**Issuers**”) issued a Prospectus dated June 28, 2017 (the “**Prospectus**”) which is a base prospectus for the purposes of Article 5.4 of the Prospectus Directive (2003/71/EC) as amended (which includes the amendments made by Directive 2010/73/EU) (the “**Prospectus Directive**”). This first supplement (the “**First Supplement**”) constitutes a supplement in respect of the Prospectus for the purposes of the Prospectus Directive and Section 87G of the Financial Services and Markets Act 2000 (U.K.), and is prepared in connection with the U.S.\$20,000,000,000 Euro Medium Term Note Programme established by the Issuers (the “**Programme**”).

Terms defined in the Prospectus have the same meaning when used in this First Supplement. This First Supplement is supplemental to, and shall be read in conjunction with, the Prospectus and any other supplements to the Prospectus issued by the Issuers from time to time.

Each of the Issuers and (in relation to Guaranteed Notes) the Guarantor accepts responsibility for the information contained in this First Supplement. To the best of the knowledge of each of the Issuers and the Guarantor (having taken all reasonable care to ensure that such is the case), the information contained in this First Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

1. Purpose of the First Supplement

The purpose of this First Supplement is to (a) incorporate by reference the Bank’s comparative unaudited interim consolidated financial statements and management’s discussion and analysis for the three and nine month periods ended July 31, 2017, as set out in the Bank’s 2017 Third Quarter Report to Shareholders, prepared in accordance with International Financial Reporting Standards (“**IFRS**”); (b) to disclose recent developments with regard to Canada’s bail-in regime affecting Canada’s domestic systemically important banks including the Bank; (c) to replace the risk factor entitled “**Risks related to the Notes generally - Proposals to reform LIBOR and other benchmark indices**” in the Prospectus following the Financial Conduct Authority’s recent announcement on July 27, 2017 regarding

the discontinuation of LIBOR; and (d) update the “General Information” section of the Prospectus in relation to any significant change in the financial or trading position of each Issuer and its respective subsidiaries or material adverse change in the prospects of the Bank and its subsidiaries.

2. Document Incorporated by Reference

On August 29, 2017, the Bank published its comparative unaudited interim consolidated financial statements for the three and nine month periods ended July 31, 2017 prepared in accordance with IFRS, together with management’s discussion and analysis for the three and nine month periods ended July 31, 2017, set out on pages 3 through 60 of the Bank’s 2017 Third Quarter Report to Shareholders.

By virtue of this First Supplement, pages 3 through 60 of the Bank’s 2017 Third Quarter Report to Shareholders are incorporated in and form part of the Prospectus for the purposes of Article 5.4 of the Prospectus Directive.

Other than as set out in the preceding paragraph, the remainder of the Bank’s 2017 Third Quarter Report to Shareholders is not incorporated and is either covered elsewhere in the Prospectus or deemed not relevant to investors.

A copy of the document incorporated by reference has been filed with the Financial Conduct Authority.

To the extent that any document or information incorporated by reference or attached to this First Supplement itself incorporates any other documents or information by reference therein, either expressly or implicitly, such other documents or information will not form part of this First Supplement for the purposes of the Prospectus Directive except where such other documents or information are specifically incorporated by reference or attached to this First Supplement.

3. Developments Relating to Certain Federal Statutes Creating a Bail-in Regime for Canada’s Domestic Systemically Important Banks

Following the publication on June 16, 2017 by the Government of Canada of draft regulations under the *Bank Act* (Canada) and the *Canada Deposit Insurance Corporation Act* (Canada) for public comment, the second and third paragraphs of the section of the Prospectus starting on page 12 entitled “Risk Factors – Bank and Scotiabank Europe specific factors – *Deposit Notes may be subject to write-off, write-down or conversion under current and proposed Canadian resolution powers*” shall be deleted and replaced with the following:

“Proposed Bail-in Regulations

On June 22, 2016, legislation came into force amending the *Bank Act* (Canada) (the “**Bank Act**”) and the *Canada Deposit Insurance Corporation Act* (Canada) (the “**CDIC Act**”) and certain other federal statutes pertaining to banks to create a bail-in regime for Canada’s domestic systemically important banks, which include the Bank. On June 16, 2017, the Government of Canada published in draft for public comment regulations under the CDIC Act and the Bank Act providing key details of the conversion, issuance and compensation regimes for bail-in instruments issued by domestic systemically important banks, including

the Bank (collectively, the “**Bail-In Regulations**”). Pursuant to the CDIC Act, in circumstances where the Superintendent of Financial Institutions has determined that the Bank has ceased, or is about to cease, to be viable, the Governor in Council may, upon a recommendation of the Minister of Finance that he or she is of the opinion that it is in the public interest to do so, grant an order directing CDIC to convert all or a portion of certain shares and liabilities of the Bank into common shares of the Bank (a “**Bail-In Conversion**”).

The Bail-In Regulations prescribe the types of shares and liabilities that will be subject to a Bail-In Conversion. In general, assuming the Bail-In Regulations come into force in their current form, subject to certain exceptions discussed below, any senior debt with an initial or amended term to maturity (including explicit or embedded options) greater than 400 days, that is unsecured or partially secured and has been assigned a CUSIP or ISIN or similar identification number would be subject to a Bail-In Conversion. Shares, other than common shares, and subordinated debt would also be subject to a Bail-In Conversion, unless they are non-viability contingent capital. Under the draft Bail-In Regulations certain debt obligations such as structured notes, covered bonds and certain derivatives would not be subject to a Bail-In Conversion.

In their current form, any shares and liabilities issued before the date the Bail-In Regulations come into force, including any Notes, that would otherwise be subject to Bail-In Conversion, would not be subject to a Bail-In Conversion, unless, in the case of any such liability, the terms of such liability are, on or after that day, amended to increase its principal amount or to extend its term to maturity and such liability, as amended, meets the requirements to be subject to a Bail-In Conversion.

Assuming the Bail-In Regulations come into force in their current form, Notes with a term to maturity of greater than 400 days issued or amended to increase their principal amount or extend their maturity after the date the Bail-In Regulations come into force will generally be subject to a Bail-In Conversion.

The draft Bail-In Regulations generally provide that they will come into force 180 days after they are finalized. It is currently anticipated that the final version of the Bail-In Regulations will be published during the fall of 2017.”

4. Replacement of Risk Factor

Following the Financial Conduct Authority’s recent announcement on July 27, 2017 regarding the discontinuation of LIBOR, the risk factor entitled “***Risks related to the Notes generally - Proposals to reform LIBOR and other benchmark indices***” on page 21 in the Prospectus is deleted and replaced with the following:

“Changes or uncertainty in respect of LIBOR and/or EURIBOR may affect the value or payment of interest under the Notes

Various interest rates and other indices which are deemed to be “benchmarks” (including the London Inter-Bank Offered Rate (“**LIBOR**”) and the Euro Interbank Offered Rate) are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented, including the majority of the provisions of the EU Benchmark Regulation (Regulation (EU) 2016/1011).

Further, the sustainability of LIBOR has been questioned by the UK Financial Conduct Authority as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of regulatory reforms) for market participants to continue contributing to such benchmarks. As a result, there can be no guarantee that LIBOR will be determined after 2021 on the same basis at present, if at all. At this time, it is not possible to predict the effect of any such changes, any establishment of alternative reference rates or any other reforms to LIBOR that may be implemented in the United Kingdom or elsewhere. Any such consequences could adversely affect the value of and return on any Floating Rate Notes that refer, or are linked, to a “benchmark” to calculate interest or other payments due on those Notes.

Any of the international, national or other proposals for reform or the general increased regulatory scrutiny of “benchmarks” could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain “benchmarks,” trigger changes in the rules or methodologies used in certain “benchmarks” or lead to the discontinuance or unavailability of quotes of certain “benchmarks.”

To the extent interest payments on a Floating Rate Note are linked to a specific “benchmark” that is discontinued or is no longer quoted, the applicable base rate will be determined using the alternative methods described in “Terms and Conditions of the Notes – Interest and Other Calculation – Interest Rate on Floating Rate Notes” Any of these alternative methods may result in interest payments that are lower than or that do not otherwise correlate over time with the payments that would have been made on those Notes if the relevant “benchmark” was available in its current form. Further, the same costs and risks that may lead to the discontinuation or unavailability of a “benchmark” may make one or more of the alternative methods impossible or impracticable to determine. Any of the foregoing may have an adverse effect on the value of such Notes.”

5. General Information

There has been no significant change in the financial or trading position of the Bank and its subsidiaries taken as a whole since July 31, 2017, being the date of the latest unaudited interim consolidated financial statements of the Bank for the three and nine month periods ending July 31, 2017, and no material adverse change in the prospects of the Bank and its subsidiaries taken as a whole since October 31, 2016, being the date of the latest audited published consolidated financial statements of the Bank.

To the extent that there is any inconsistency between (a) any statement in this First Supplement or any statement incorporated by reference into the Prospectus by way of this First Supplement and (b) any other statement in, or incorporated by reference in, the Prospectus, the statements in (a) above will prevail.

Save as disclosed in this First Supplement, no significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus which is capable of affecting the assessment of Notes issued under the Programme has arisen or been noted, as the case may be, since the publication of the Prospectus.

Copies of this First Supplement, the Prospectus and the document incorporated by reference in either this First Supplement or the Prospectus can be (i) viewed on the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html under the name of the Bank and the headline “Publication of Prospectus”, (ii) viewed on the website of the National Storage Mechanism at www.morningstar.co.uk/uk/NSM and (iii) obtained on written request and without charge from (a) the principal executive offices of the Bank from the Executive Vice-President and General Counsel, The Bank of Nova Scotia, Scotia Plaza, 44 King Street West, Toronto, Ontario M5H 1H1, Canada, (b) the registered office of Scotiabank Europe from the Company Secretary, Scotiabank Europe plc, 201 Bishopsgate, 6th Floor, London EC2M 3NS and (c) the offices of the Principal Paying Agent, Registrar, Calculation Agent and Transfer Agent, The Bank of Nova Scotia, London Branch, 201 Bishopsgate, 6th Floor, London EC2M 3NS so long as any of the Notes issued under the Prospectus and listed on the London Stock Exchange’s Regulated Market are outstanding.