

FINAL TERMS

9 January 2015

The Bank of Nova Scotia

Issue of £300,000,000 Floating Rate Covered Bonds due 2 November 2017 (Tranche 2), having the same terms as, and constituting a single series with, the £250,000,000 Floating Rate Covered Bonds due 2 November 2017 issued 4 November 2014, unconditionally and irrevocably guaranteed as to payments of principal and interest by Scotiabank Covered Bond Guarantor Limited Partnership under the U.S.\$15 billion Global Registered Covered Bond Program

The Prospectus referred to below (as completed by this Final Terms Document) has been prepared on the basis that any offer of Covered Bonds in any member state of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (as amended) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Covered Bonds. Accordingly, any person making or intending to make an offer in that Relevant Member State of the Covered Bonds may only do so in circumstances in which no obligation arises for the Issuer or any relevant Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any relevant Dealer has authorized, nor do they authorize, the making of any offer of Covered Bonds in any other circumstances.

PART 1

CONTRACTUAL TERMS

Terms used herein will be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Prospectus dated 22 January 2014, as supplemented on 5 March 2014, 6 March 2014, 22 May 2014, 28 May 2014, 28 August 2014, 29 August 2014, 20 November 2014 and 8 December 2014 (together, the **Prospectus**) which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (as amended) (the **Prospectus Directive**). This document constitutes the final terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus. Full information on the Issuer and the Guarantor and the offer of the Covered Bonds is only available on the basis of the combination of this Final Terms Document and the Prospectus. The Prospectus is available for viewing at www.londonstockexchange.com/exchange/news/market-news/market-newshome.html and copies of the Prospectus are available free of charge to the public at the Executive Offices of the Issuer and from the specified office of each of the Paying Agents.

1. (a) Issuer: The Bank of Nova Scotia, Head office, Toronto
- (b) Guarantor: Scotiabank Covered Bond Guarantor Limited Partnership
2. (a) Series Number: CBL5
- (b) Tranche Number: 2
- (c) Series which Covered Bonds will be consolidated and form a single Series with: CBL5
- (d) Date on which the Covered Bonds will be consolidated and form a single Series with the Series specified above: 23 February 2015
3. Specified Currency or Currencies: £, GBP, pounds sterling
4. Aggregate Nominal Amount of Covered Bonds admitted to trading: £550,000,000
 - (a) Series: £550,000,000
 - (b) Tranche: £300,000,000
5. Issue Price: 100.031% of the Aggregate Nominal Amount plus accrued interest from 4 November 2014
6. (a) Specified Denominations: £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000. No Covered Bonds in definitive form will be issued with a denomination above £199,000.
- (b) Calculation Amount: £1,000
7. (a) Issue Date: 13 January 2015
- (b) Interest Commencement Date: 4 November 2014
8. (a) Final Maturity Date: 2 November 2017
- (b) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee: 2 November 2018
9. Interest Basis: Interest accrues from and including 4 November

2014 to, but excluding, the Final Maturity Date at a rate of 3 month GBP LIBOR + 0.19% Floating Rate payable quarterly in arrears on each Interest Payment Date. The rate for the first coupon date will be calculated using an interpolation of 2 month GBP LIBOR and 3 month GBP LIBOR.

10. Redemption/Payment Basis: Redemption at par
11. Change of Interest Basis or Redemption/Payment Basis: Floating to Floating
- Interest accrues from and including the Final Maturity Date to, but excluding, the Extended Due for Payment Date at a rate of 1 month GBP LIBOR + 0.19% Floating Rate payable monthly in arrears
12. Put/Call Options: Not Applicable
13. Date of Board approval for issuance of Covered Bonds: 28 August 2012 in respect of the Issuer and 19 July 2013 in respect of the Guarantor

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Covered Bond Provisions: Not Applicable
15. Floating Rate Covered Bond Provisions: Applicable from and including the Issue Date to the Extended Due for Payment Date.
- Applicable in respect of the Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee
- (a) Interest Period(s): From and including 4 November 2014 to, but excluding, the Final Maturity Date, interest is payable quarterly in arrears on each Interest Payment Date.
- From and including the Final Maturity Date to, but excluding, the Extended Due for Payment Date, interest is payable monthly in arrears on each Interest Payment Date.
- (b) Interest Payment Date(s): 2 February, 2 May, 2 August and 2 November (short first coupon), commencing on 2 February 2015 up to and including the Final Maturity Date; and
- 2nd calendar day of each month payable from but excluding the Final Maturity Date to and including the earlier of:

- (i) the date on which the Covered Bonds are redeemed in full; and
 - (ii) the Extended Due for Payment Date.
- (c) First Interest Payment Date: 2 February 2015
- (d) Business Day Convention: Modified Following Business Day Convention (adjusted)
- (e) Business Day(s): London, TARGET2, Toronto
- (f) Additional Business Centre(s): Not Applicable
- (g) Manner in which the Rate of Interest and Interest Amount is to be determined: Screen Rate Determination
- (h) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): Not Applicable
- (i) Screen Rate Determination: Applicable
- Reference Rate and Relevant Financial Centre: Reference Rate:
- From and including the Issue Date to, but excluding, the Final Maturity Date, 3 month GBP LIBOR
- From and including the Final Maturity Date to, but excluding, the Extended Due for Payment Date, 1 month GBP LIBOR
- Relevant Financial Centre: London, TARGET2, Toronto
- Interest Determination Date(s): On the Interest Payment Date at the start of each Interest Period.
- Short First Coupon: From and including 4 November 2014 to, but excluding 2 February 2015
- Relevant Screen Page: Reuters LIBOR 01
- (j) ISDA Determination: Not Applicable
- (k) Floating Rate Covered Bond Margin(s): plus 0.19%
- (l) Minimum Rate of Interest: Not Applicable
- (m) Maximum Rate of Interest: 60.00% per annum

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| (n) | Day Count Fraction: | Actual/365 (fixed) |
| 16. | Zero Coupon Covered Bond Provisions: | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

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| 17. | Issuer Call: | Not Applicable |
| 18. | Put Option: | Not Applicable |
| 19. | Final Redemption Amount of each Covered Bond: | £1,000 per Calculation Amount |
| 20. | Early Redemption Amount of each Covered Bond payable on redemption for taxation reasons or illegality or upon acceleration following an Issuer Event of Default or Guarantor Event of Default or other early redemption and/or the method of calculating the same (if required or if different from that set out in Condition 6.7): | £1,000 per Calculation Amount |

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

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| 21. | Form of Covered Bonds: | Registered Covered Bonds:

Regulation S Global Covered Bond registered in the name of a common safekeeper for Euroclear and/or Clearstream/Luxembourg |
| 22. | New Global Covered Bond: | Yes |
| 23. | Financial Centre(s) or other special provisions relating to payment dates: | Not Applicable |
| 24. | Talons for future Coupons to be attached to Bearer Definitive Covered Bonds (and dates on which such Talons mature): | No |
| 25. | Redenomination, renominalisation and reconventioning provisions: | Not Applicable |

Signed on behalf of the Issuer:

By: /s/ Ian A. Berry

Duly authorized

Signed on behalf of the Guarantor by its managing general partner Scotiabank Covered Bond GP Inc.:

By: /s/ David Tersigni

Duly authorized

(signature page to Final Terms)

PART 2

OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (a) Listing and admission to trading: Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the London Stock Exchange's Regulated Market and to the Official List of the UK Listing Authority with effect from 13 January 2015.
- (b) Estimate of total expenses related to admission to trading: £3,600

2. RATINGS

- Ratings: The Covered Bonds to be issued are expected to be rated:
- Fitch: AAA
- Moody's: Aaa
- DBRS: AAA

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in *Selling Restrictions*, so far as the Issuer and the Guarantor are aware, no person involved in the offer of the Covered Bonds has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

4. YIELD (*Fixed Rate Covered Bonds only*)

- Indication of yield: Not applicable

5. OPERATIONAL INFORMATION

- (a) ISIN Code: From the Issue Date through and including 22 February 2015, XS1165712347; subsequent to and including 23 February 2015, XS1132514172
- (b) Common Code: From the Issue Date through and including 22 February 2015, 116571234; subsequent to and including 23 February 2015, 113251417
- (c) Any clearing system(s) other than Not Applicable

DTC, Euroclear or Clearstream, Luxembourg and the relevant identification number(s) or codes such as CUSIP and CINS codes:

- (d) Name and address of initial Paying Agent(s)/Registrar(s)/Transfer Agent(s): The Bank of Nova Scotia, London Branch acting through its office at 201 Bishopsgate, 6th Floor, London EC2M 3NS
- (e) Names and addresses of additional Paying Agent(s)/Transfer Agent(s) (if any): Not Applicable

6. DISTRIBUTION

U.S. Selling Restrictions

Regulation S compliance category 2, TEFRA Rules not applicable; Rule 144A not eligible