New Issue June 8, 1995

Scotiabank

THE BANK OF NOVA SCOTIA

$250,000,000

8.90% Debentures due 2025

(subordinated indebtedness)

The subordinated indebtedness of The Bank of Nova Scotia (the "Bank") evidenced by the 8.90% Debentures due 2025 (the "Debentures") will be dated June 20, 1995 and will mature on June 20, 2025. Interest on the Debentures will be payable semi-annually in arrears on June 20 and December 20, in each year, commencing December 20, 1995, at the rate of 8.90% per annum. The Debentures shall not be redeemable by the Bank prior to the fifth anniversary of the date of their issue. On and after such date, the Bank shall have the right only with the prior written approval of the Superintendent of Financial Institutions Canada (the "Superintendent") to redeem the Debentures, in whole or in part, at a redemption price which is equal to the higher of the Canada Yield Price (as defined herein) and par, plus accrued and unpaid interest to the date fixed for redemption. Reference is made to "Details of the Offering — Redemption".

The Debentures will be direct unsecured obligations of the Bank, constituting subordinated indebtedness for purposes of the *Bank Act* (Canada). In the event of the insolvency or winding-up of the Bank, the Debentures will rank at least equally with the Bank's other subordinated indebtedness and will be subordinate in right of payment to the prior payment in full of the deposit liabilities of the Bank and all the other liabilities of the Bank except liabilities which by their terms rank in right of payment equally with or subordinate to the Debentures. Reference is made to "Details of the Offering — Status and Subordination".

In the opinion of counsel, the Debentures will be, at the date of issue, eligible for investment under certain statutes as set forth under "Eligibility for Investment".

	Price to the Public	Underwriting Fee and Discount (1)	Net Proceeds to the Bank (2)(3)
Per $100 principal amount of Debentures	Non-Fixed Price	$1.43	$98.57
Total	Non-Fixed Price	$3,575,000	$246,425,000

(1) Consisting of an underwriting fee of $0.90, and of a discount of $0.53, per $100 principal amount of Debentures. The Underwriters' overall compensation will increase or decrease by the amount by which the aggregate price paid for the Debentures by the purchasers exceeds or is less than the gross proceeds paid by the Underwriters to the Bank.

(2) Plus accrued interest, if any, from June 20, 1995 to the date of delivery.

(3) Before deduction of expenses of issue estimated at $250,000.

The Underwriters have agreed to purchase the Debentures from the Bank at 99.47% of their principal amount subject to the terms and conditions set forth in the Underwriting Agreement referred to under "Plan of Distribution", and will receive a fixed fee of $2,250,000.

The Debentures will be offered to the public at prices to be negotiated by the Underwriters with purchasers. Accordingly, the price at which the securities will be offered and sold to the public may vary as between purchasers and during the period of distribution of the Debentures.

We, as principals, conditionally offer the Debentures, subject to prior sale if, as and when issued by the Bank and accepted by us in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of the Bank by McCarthy Tétrault and on our behalf by Osler, Hoskin & Harcourt. **ScotiaMcLeod Inc. ("ScotiaMcLeod") is an indirect wholly-owned subsidiary of the Bank. The Bank is a related and connected issuer of ScotiaMcLeod under applicable securities legislation by virtue of the Bank's ownership of ScotiaMcLeod. Reference is made to "Plan of Distribution".**

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. **It is expected that Debentures in definitive form will be available for delivery on the closing of this offering, which is expected to be on or about June 20, 1995.**

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Eligibility for Investment

In the opinion of McCarthy Tétrault, counsel for the Bank, and Osler, Hoskin & Harcourt, counsel for the Underwriters (as herein defined), the Debentures to be issued by the Bank hereunder, at the date of such issue, will be eligible investments, without resort to the so-called "basket provisions", or their purchase will not be prohibited, in each case subject to general investment provisions, and in certain cases subject to prudent investment requirements and to additional requirements relating to investment or lending policies or goals, under or by the following statutes:

(i) *Insurance Companies Act* (Canada)

(ii) *Trust and Loan Companies Act* (Canada)

(iii) *Pension Benefits Standards Act, 1985* (Canada)

(iv) *Insurance Act* (Ontario)

(v) *Loan and Trust Corporations Act* (Ontario)

(vi) *Pension Benefits Act* (Ontario)

(vii) *Trustee Act* (Ontario)

(viii) *Supplemental Pension Plans Act* (Quebec)

(ix) *an Act respecting insurance* (Quebec)

(x) *an Act respecting trust companies and savings companies* (Quebec)

(xi) *Employment Pension Plans Act* (Alberta)

(xii) *Insurance Act* (Alberta)

(xiii) *Loan and Trust Corporations Act* (Alberta)

(xiv) *Financial Institutions Act* (British Columbia).

In the opinion of such counsel, the Debentures will, at the date of issue, be qualified investments under the *Income Tax Act* (Canada) for trusts governed by registered retirement savings plans, registered retirement income funds and deferred profit sharing plans, other than a deferred profit sharing plan under which the Bank, or a corporation with which the Bank does not deal at arm's length within the meaning of the *Income Tax Act* (Canada), is an employer.

Documents Incorporated by Reference

The following documents, filed with the Superintendent and the various securities commissions or similar authorities in Canada, are incorporated by reference into this short form prospectus:

(a) the Bank's Annual Information Form dated November 30, 1994 which includes management's discussion and analysis of financial condition and results of operations as contained in pages 23 to 72 inclusive of the Bank's Annual Report for the year ended October 31, 1994;

(b) the Bank's consolidated financial statements as at and for the year ended October 31, 1994 and the auditors' report thereon with comparative consolidated financial statements for the year ended October 31, 1993;

(c) the Bank's Management Proxy Circular attached to the Notice of Meeting dated December 5, 1994;

(d) the Bank's Quarterly Report for the period ended January 31, 1995, which includes comparative consolidated interim financial statements (unaudited); and

(e) the Bank's Quarterly Report for the period ended April 30, 1995, which includes comparative consolidated interim financial statements (unaudited).

Any material change report (excluding any confidential report), comparative consolidated interim financial statements (unaudited) and information circular filed by the Bank with securities commissions or similar authorities in the provinces or territories of Canada, subsequent to the date of this short form prospectus and prior to the termination of this offering, shall be deemed to be incorporated by reference into this short form prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this short form 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. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus.

The Bank of Nova Scotia

The Bank of Nova Scotia was granted a charter under the laws of the Province of Nova Scotia in 1832, and commenced operations in Halifax, Nova Scotia in that year. Since 1871 the Bank has been a chartered bank under the *Bank Act* (Canada) (the "Bank Act"). The head office is located at 1709 Hollis Street, Halifax, Nova Scotia and the executive offices are at Scotia Plaza, 44 King Street West, Toronto, Ontario, M5H 1H1.

Business of the Bank

In terms of total assets, the Bank is the fourth largest chartered bank in Canada. In Canada, the Bank and its subsidiaries provide a full range of personal, commercial, corporate and investment banking services through an extensive network of branches and offices in all the provinces and territories. Outside Canada, the Bank has branches and offices in over 40 countries which provide a wide range of banking and related financial services, either directly or through subsidiary and associated banks, trust companies and other financial firms.

Changes in Capitalization

The following material changes in the capitalization of the Bank occurred subsequent to the fiscal year ended October 31, 1994;

(i) on November 29, 1994, the Bank issued 8,000,000 Non-cumulative Preferred Shares Series 7 at a price of $25.00 per share for a stated value of $200,000,000;

(ii) on April 20, 1995, the Bank issued 9,000,000 Non-cumulative Preferred Shares Series 8 at a price of $25.00 per share for a stated value of $225,000,000;

(iii) on May 19, 1995, the Bank redeemed 8,000,000 Non-cumulative Preferred Shares Series 4 at a price of $26.75 per share with a stated value of $200,000,000; and

(iv) on May 30, 1995, the Bank entered into an agreement to issue and sell, on June 20, 1995 or such other date that may be agreed upon but not later than June 28, 1995, 10,000,000 Non-cumulative Preferred Shares Series 9 at a price of $25.00 per share for a stated value of $250,000,000.

Details of the Offering

The following is a summary of the material attributes and characteristics of the Debentures offered hereby, which does not purport to be complete. Reference is made to the Trust Indenture referred to below for the full text of such attributes and characteristics.

General

The Debentures offered hereby will be issued under and pursuant to the provisions of a trust indenture (the "Trust Indenture") to be dated as of June 20, 1995 between the Bank and Montreal Trust Company of Canada, as trustee (the "Trustee"). The Debentures will be limited to $250,000,000 aggregate principal amount. The Debentures will be dated June 20, 1995 and will mature on June 20, 2025. Interest on the Debentures will be payable in lawful money of Canada by cheque drawn on the Bank and sent by prepaid mail to the registered holder or by such other means as may become customary for the payment of interest on bank subordinated indebtedness. Payments of principal of the Debentures will be made against surrender thereof at any branch of the Bank in Canada.

The Trustee is an indirect, wholly-owned subsidiary of the Bank.

Status and Subordination

The Debentures will be direct, unsecured obligations of the Bank, constituting subordinated indebtedness for purposes of the Bank Act, ranking at least equally and rateably with all other subordinated indebtedness of the Bank from time to time issued and outstanding. In the event of the insolvency or winding-up of the Bank, subordinated indebtedness issued by the Bank, including the Debentures, will be subordinate in right of payment to the prior payment in full of the deposit liabilities of the Bank and all other liabilities of the Bank except liabilities which by their terms rank in right of payment equally with or subordinate to the Debentures.

The Debentures will not be deposits insured under the *Canada Deposit Insurance Corporation Act.*

Covenant

The Trust Indenture will provide that the Bank will not create, issue or incur any indebtedness subordinate in right of payment to the deposit liabilities of the Bank which, in the event of the insolvency or winding-up of the Bank, would rank in right of payment in priority to the Debentures.

Events of Default

The Trust Indenture will provide that an event of default in respect of the Debentures will occur only if the Bank becomes insolvent or bankrupt or resolves to wind-up or liquidate or is ordered wound-up or liquidated. If an event of default has occurred and is continuing, the Trustee may, in its discretion and shall upon the request of holders of not less than one-quarter in principal amount of the Debentures, declare the principal of and interest on all outstanding Debentures to be immediately due and payable. There will be no right of acceleration in the case of a default in the payment of interest or a default in the performance of any other covenant of the Bank in the Trust Indenture, although a legal action could be brought to enforce such covenant. The *Winding-up 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 90 days.

Form and Denomination

The Debentures will be issued in fully registered form in denominations of $1,000 and integral multiples thereof.

Interest

Interest on the Debentures at the rate of 8.90% per annum will be payable semi-annually in arrears on June 20 and December 20 in each year, the first payment of which will be made on December 20, 1995.

Redemption

The Debentures shall not be redeemable by the Bank prior to the fifth anniversary of their date of issue. On and after such date, the Bank shall have the right only with the prior written approval of the Superintendent to redeem the Debentures, in whole at any time or in part from time to time, on not less than 30 nor more than 60 days prior notice, at a redemption price which is equal to the higher of the Canada Yield Price (as defined below) and par, plus accrued and unpaid interest to the date fixed for redemption. In cases of partial redemption the Debentures to be redeemed will be selected by the Trustee by lot or such other manner as the Trustee may deem equitable.

"Canada Yield Price" shall mean a price equal to the price of the Debentures calculated to provide a yield to maturity equal to the Government of Canada Yield plus 0.15% on the business day preceding the date of the resolution authorizing the redemption. "Government of Canada Yield" on any date shall mean the average of the yields determined by two registered Canadian investment dealers, other than ScotiaMcLeod, selected by the Bank as being the yield to maturity on such date (assuming semi-annual compounding) which a non-callable Government of Canada Bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity approximately equal to the remaining term to maturity of the Debentures.

Open Market Purchases

The Bank, with the prior approval of the Superintendent, may at any time after the fifth anniversary of the date of issue of the Debentures, purchase Debentures in the market or by tender, available to all holders of Debentures ("Debentureholders") alike, or by private contract at any price. Debentures so purchased shall be cancelled forthwith and accordingly may not be reissued or resold. Notwithstanding the foregoing, any subsidiary of the Bank may purchase Debentures in the ordinary course of its business of dealing in securities.

Modification

The Trust Indenture will provide that modifications and alterations of the Trust Indenture and the Debentures may be made if authorized by extraordinary resolution. The term "extraordinary resolution" will be defined in the Trust Indenture to mean, in effect, a resolution passed by the affirmative vote of the holders of not less than two-thirds of the principal amount of the Debentures then outstanding represented and voted at the meeting of Debentureholders or an instrument or instruments in writing signed by the holders of not less than two-thirds of the principal amount of the Debentures then outstanding. The Trustee may agree, without any authorization from the Debentureholders, to modifications and alterations of the Trust Indenture and the Debentures if, in the opinion of the Trustee, such modifications and alterations do not adversely affect the interests of the Debentureholders in any material respect. Certain modifications and alterations of the Trust Indenture and the Debentures are subject to the approval of the Superintendent.

Additional Subordinated Indebtedness

The Bank may, from time to time without the consent of the holders of the Debentures, create and issue additional subordinated indebtedness ranking equally and rateably with or junior to the Debentures.

Ratings

The Debentures are provisionally rated A+ (Low) by CBRS Inc. ("CBRS"), the second highest category granted by CBRS for long term debt obligations. The Debentures are provisionally rated AA (low) by Dominion Bond Rating Service Limited ("DBRS"), the second highest category granted by DBRS for long term debt obligations. Each rating agency has 9 categories of long term debt obligations for which it will assign a rating.

Neither of the foregoing ratings should be construed as a recommendation to buy, sell or hold the Debentures. Either of the foregoing ratings may be revised or withdrawn at any time by the respective rating organization.

Interest Coverage

After giving effect to this offering, the annual interest requirements on all subordinated indebtedness of the Bank outstanding as at April 30, 1995 would have amounted to $203.5 million.

The net income of the Bank, before income taxes and before the deduction of interest, amortization of discounts, premiums and issue expenses in respect of subordinated indebtedness, for the 12 months ended April 30, 1995 amounted to $1,526.1 million. This amount is approximately 7.4 times the total requirements for interest and amortization of discounts, premiums and issue expenses of $205.5 million in respect of the adjusted principal amount of subordinated indebtedness outstanding as at April 30, 1995.

Asset Coverage

After giving effect to this offering and the issue of the Non-cumulative Preferred Shares Series 9 and the redemption of the Non-cumulative Preferred Shares Series 4 referred to under "Changes in Capitalization", the adjusted net tangible assets of the Bank as at April 30, 1995 available to cover all outstanding subordinated indebtedness would have been as follows:

	April 30, 1995 (millions)
Total Assets	$ 135,077
Deduct: Deposit Liabilities	(102,895)
Other Liabilities	(22,143)
Goodwill	(6)
Net tangible assets	10,033
Add: Net proceeds of this offering	246
Add: Net proceeds of the issue of the Non-cumulative Preferred Shares Series 9	242
Less: Redemption of the Non-cumulative Preferred Shares Series 4	(214)
Adjusted net tangible assets available for subordinated indebtedness	$ 10,307

The adjusted net tangible assets of the Bank of $10,307 million are equivalent to $3,100 for each $1,000 of the $3,325 million adjusted principal amount of subordinated indebtedness outstanding as at April 30, 1995.

Plan of Distribution

Under an underwriting agreement (the "Underwriting Agreement") dated May 30, 1995 between the Bank and the underwriters whose names appear under the heading "Certificate of the Underwriters" (the "Underwriters"), the Bank has agreed to sell and the Underwriters have agreed to purchase on June 20, 1995, or on such other date not later than June 28, 1995 as may be agreed upon, subject to the terms and conditions contained therein including the approval of certain legal matters, all but not less than all of the $250,000,000 principal amount of Debentures at a price of $99.47 per $100 principal amount, for a total consideration of $248,675,000 plus accrued interest, if any, from June 20, 1995 to the date of delivery, payable in cash to the Bank against delivery of the Debentures. The Bank has agreed to pay the Underwriters an underwriting fee of $2,250,000 on account of services rendered in connection with this offering.

The obligations of the Underwriters under the Underwriting Agreement may be terminated at their discretion upon the occurrence of certain stated events.

The Debentures will be offered to the public at prices to be negotiated by the Underwriters with purchasers. Accordingly, the price at which the Debentures will be offered and sold to the public may vary as between purchasers and during the period of distribution of the Debentures. The Underwriters' overall compensation will increase or decrease by the amount by which the aggregate price paid for the Debentures by the purchasers exceeds or is less than the gross proceeds paid by the Underwriters to the Bank.

In connection with this offering, the Underwriters may over-allot the Debentures offered by this short form prospectus or effect transactions which stabilize or maintain the market price of such Debentures at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

ScotiaMcLeod is an indirect wholly-owned subsidiary of the Bank. The decision to distribute the Debentures and the determination of the terms of the distribution were made through negotiation between the Bank on the one hand and the Underwriters on the other hand. Other than as noted above, the net proceeds of the issue will not be assigned for the benefit of ScotiaMcLeod.

Use of Proceeds

The estimated net proceeds to the Bank from the sale of the Debentures, after deducting the expenses of issue, will amount to $246,175,000. Such proceeds will be added to the Bank's capital.

After giving effect to this offering and the issue of the Non-cumulative Preferred Shares Series 9 and the redemption of the Non-cumulative Preferred Shares Series 4, both as referred to under "Changes in Capitalization", the Bank's total capital ratio for regulatory purposes as at April 30, 1995 would have been 10.07%.

Legal Matters

Legal matters in connection with the issue and sale of the Debentures will be passed upon, on behalf of the Bank, by McCarthy Tétrault and, on behalf of the Underwriters, by Osler, Hoskin & Harcourt. As at June 7, 1995, partners and associates of McCarthy Tétrault, as a group, beneficially owned, directly or indirectly, 11,766 Common Shares, 2,000 Non-cumulative Preferred Shares Series 5, 2,000 Non-cumulative Preferred Shares Series 6, 1,000 Non-cumulative Preferred Shares Series 7 and $100,000 8.10% Debentures due 2003 of the Bank. As at June 5, 1995, partners and associates of Osler, Hoskin & Harcourt, as a group, beneficially owned, directly or indirectly, 250 Common Shares, 1,000 Preferred Shares Series 6, 1,000 Preferred Shares Series 8 and $2,000 10.75% Debentures due 2001 of the Bank.

Transfer Agent and Registrar

Registration and transfer of the Debentures may be effected at the principal offices of Montreal Trust Company of Canada or its agent in Vancouver, Calgary, Winnipeg, Toronto, Montreal and Halifax.

Statutory Rights of Withdrawal and Rescission

Securities legislation in several of the provinces provides purchasers with the right to withdraw from an agreement to purchase securities within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission 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 advisor.

Certificate of the Bank

Dated June 8, 1995

The foregoing, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the *Bank Act* (Canada) and the regulations thereunder and the securities laws of all provinces and territories of Canada. For the purposes of the *Securities Act* (Quebec), this short form prospectus, as supplemented by the documents incorporated herein by reference, contains no misrepresentation likely to affect the value or the market price of the securities to be distributed.

(Signed) P.C. GODSOE
Chairman of the Board
and Chief Executive Officer

(Signed) R.W. CHISHOLM
Vice-Chairman

On behalf of the Board of Directors

(Signed) C.E. RITCHIE
Director

(Signed) E.K. CORK
Director

Certificate of the Underwriters

Dated June 8, 1995

To the best of our knowledge, information and belief, the foregoing, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the *Bank Act* (Canada) and the regulations thereunder and the securities laws of all the provinces and territories of Canada. For the purposes of the *Securities Act* (Quebec), to the best of our knowledge, information and belief, this short form prospectus, as supplemented by the documents incorporated herein by reference, contains no misrepresentation likely to affect the value or the market price of the securities to be distributed.

ScotiaMcLeod Inc.	RBC Dominion Securities Inc.
By: (Signed) John L. Sherrington	By: (Signed) M. Marianne Harris
Nesbitt Burns Inc.	Wood Gundy Inc.
By: (Signed) Paul D. Allison	By: (Signed) Peter Irwin
Toronto Dominion Securities Inc.	Midland Walwyn Capital Inc.
By: (Signed) Joseph C. de Tuba	By: (Signed) Robert H. Grimard
Richardson Greenshields of Canada Limited	Goldman Sachs Canada
By: (Signed) William G. Copland	By: (Signed) David J. Gluskin
Lévesque Beaubien Geoffrion Inc.	Merrill Lynch Canada Inc.
By: (Signed) Ian McPherson	By: (Signed) Zoran Fotak

Trilon Securities Corporation

By: (Signed) Trevor D. Kerr

The following includes the name of every person having an interest, directly or indirectly, to the extent of not less than 5 percent in the capital of:

ScotiaMcLeod Inc.: an indirect wholly-owned subsidiary of the Bank;

RBC Dominion Securities Inc.: RBC Dominion Securities Limited, a majority-owned subsidiary of a Canadian chartered bank;

Nesbitt Burns Inc.: The Nesbitt Burns Corporation Limited, a majority-owned subsidiary of a Canadian chartered bank;

Wood Gundy Inc.: a wholly-owned subsidiary of The CIBC Wood Gundy Corporation, a majority-owned subsidiary of a Canadian chartered bank;

Toronto Dominion Securities Inc.: a wholly-owned subsidiary of a Canadian chartered bank;

Midland Walwyn Capital Inc.: wholly-owned by Midland Walwyn Inc.;

Richardson Greenshields of Canada Limited: wholly-owned by Richardson Greenshields Limited;

Goldman Sachs Canada: a limited partnership in which The Goldman Sachs Group L.P. is the limited partner and Goldman Sachs Canada Inc., a wholly-owned subsidiary of The Goldman Sachs Group L.P., is the general partner;

Lévesque Beaubien Geoffrion Inc.: wholly-owned by Lévesque, Beaubien and Company Inc., a majority-owned subsidiary of a Canadian chartered bank;

Merrill Lynch Canada Inc.: an indirect wholly-owned subsidiary of Merrill Lynch & Co.; and

Trilon Securities Corporation: a wholly-owned subsidiary of Trilon Financial Corporation.