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THE BANK OF NOVA SCOTIA
(a Canadian chartered Bank)
(the "Issuer")

Moody's ratings downgrade

The Issuer wishes to announce that Moody's Investors Service ("**Moody's**") has on 10 May 2017 downgraded the Baseline Credit Assessments ("**BCAs**"), the long-term rating and the Counterparty Risk Assessments ("**CRAs**") of six Canadian banks and their affiliates (including the Issuer), reflecting, among others, Moody's expectation of a more challenging operating environment for banks in Canada for the remainder of 2017 and beyond, that could lead to a deterioration in the banks' asset quality, and increase their sensitivity to external shocks. The BCAs, long-term debt and deposit ratings and CRAs of the Issuer and its affiliates were downgraded by 1 notch. Please refer to the attached press release from Moody's for further details.

The Bank of Nova Scotia

19 May 2017