

BANK OF NOVA SCOTIA  
Form FWP  
April 11, 2017

	<p style="text-align: center;"><b>Subject to Completion</b></p> <p style="text-align: center;"><b>Preliminary Term Sheet dated April 10, 2017</b></p>	<p style="text-align: right;"><b>Filed Pursuant to Rule 433</b> <b>Registration Statement No. 333-215597</b> <b>(To Prospectus dated February 1, 2017,</b> <b>Prospectus Supplement dated February 13,</b> <b>2017 and</b> <b>Product Prospectus Supplement EQUITY</b> <b>INDICES</b> <b>SUN-1 dated February 23, 2017)</b></p>
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The notes are being issued by The Bank of Nova Scotia ( BNS ). There are important differences between the notes and a conventional debt security, including different investment risks and certain additional costs. See Risk Factors beginning on page TS-6 of this term sheet and beginning on page PS-7 of product prospectus supplement EQUITY INDICES SUN-1.

The initial estimated value of the notes as of the pricing date is expected to be between \$9.43 and \$9.75 per unit, which is less than the public offering price listed below. See Summary on the following page, Risk Factors beginning on page TS-6 of this term sheet and Structuring the Notes on page TS-19 of this term sheet for additional information. The actual value of your notes at any time will reflect many factors and cannot be predicted with accuracy.

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None of the U.S. Securities and Exchange Commission (the SEC), any state securities commission, or any other regulatory body has approved or disapproved of these securities or determined if this Note Prospectus (as defined below) is truthful or complete. Any representation to the contrary is a criminal offense.

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	<u>Per Unit</u>	<u>Total</u>
Public offering price(1)	\$ 10.000	\$
Underwriting discount(1)	\$ 0.225	\$
Proceeds, before expenses, to BNS	\$ 9.775	\$

(1) For any purchase of 500,000 units or more in a single transaction by an individual investor or in combined transactions with the investor's household in this offering, the public offering price and the underwriting discount will be \$9.950 per unit and \$0.175 per unit, respectively. See Supplement to the Plan of Distribution below.

The notes:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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**Merrill Lynch & Co.**

April , 2017

## Leveraged Market-Linked Step Up Notes

Linked to a Global Equity Index Basket, due April , 2020

### Summary

The Leveraged Market-Linked Step Up Notes Linked to a Global Equity Index Basket, due April , 2020 (the notes ) are our senior unsecured debt securities. The notes are not guaranteed or insured by the CDIC or the FDIC, and are not, either directly or indirectly, an obligation of any third party. **The notes will rank equally with all of our other unsecured senior debt. Any payments due on the notes, including any repayment of principal, will be subject to the credit risk of BNS.** The notes provide you with a Step Up Payment if the Ending Value of the Market Measure, which is the global equity index basket described below (the Basket ), is equal to or greater than the Starting Value, but is less than the Step Up Value. If the Ending Value is equal to or greater than the Step Up Value, the notes provide you with a leveraged return. If the Ending Value is less than the Starting Value, you will lose all or a portion of the principal amount of your notes. Payments on the notes, including the amount you receive at maturity, will be calculated based on the \$10 principal amount per unit and will depend on the performance of the Basket, subject to our credit risk. See Terms of the Notes below.

The Basket will be comprised of the S&P 500® Index, the EURO STOXX 50® Index, and the MSCI EAFE® Index, (each, a Basket Component ). On the pricing date, the S&P 500® Index will be given an initial weight of 40%, and each of the EURO STOXX 50® Index and the MSCI EAFE® Index will be given an initial weight of 30%

The economic terms of the notes (including the Participation Rate) are based on our internal funding rate, which is the rate we would pay to borrow funds through the issuance of market-linked notes, and the economic terms of certain related hedging arrangements. Our internal funding rate is typically lower than the rate we would pay when we issue conventional fixed rate debt securities. This difference in funding rate, as well as the underwriting discount and the hedging related charge described below, will reduce the economic terms of the notes to you and the initial estimated value of the notes on the pricing date. Due to these factors, the public offering price you pay to purchase the notes will be greater than the initial estimated value of the notes.

On the cover page of this term sheet, we have provided the initial estimated value range for the notes. This range of estimated values was determined by reference to our internal pricing models, which take into consideration certain factors, such as our internal funding rate on the pricing date and our assumptions about market parameters. For more information about the initial estimated value and the structuring of the notes, see Structuring the Notes on page TS-19.

### Terms of the Notes

<b>Issuer:</b>	The Bank of Nova Scotia ( BNS )
<b>Principal Amount:</b>	\$10.00 per unit
<b>Term:</b>	Approximately three years
<b>Market Measure:</b>	A global equity index basket comprised of the S&P 500® Index (Bloomberg symbol: SPX ), the EURO STOXX 50® Index (Bloomberg symbol: SX5E ), and the MSCI EAFE® Index (Bloomberg symbol: MXEA ). Each Basket

### Redemption Amount Determination

On the maturity date, you will receive a cash payment per unit determined as follows:

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<b>Starting Value:</b>	Component is a price return index. The Starting Value will be set to 100.00 on the pricing date.
<b>Ending Value:</b>	The value of the Market Measure on the scheduled calculation day, as described under The Basket on page TS-8. The calculation day is subject to postponement in the event of Market Disruption Events, as described beginning on page PS-21 of product prospectus supplement EQUITY INDICES SUN-1.
<b>Step Up Value:</b>	118% of the Starting Value.
<b>Step Up Payment:</b>	\$1.80 per unit, which represents a return of 18% over the principal amount.
<b>Threshold Value:</b>	100% of the Starting Value.
<b>Participation Rate:</b>	[130% to 150]%. The actual Participation Rate will be determined on the pricing date.
<b>Calculation Day:</b>	Approximately the fifth scheduled Market Measure Business Day immediately preceding the maturity date.
<b>Fees and Charges:</b>	The underwriting discount of \$0.225 per unit listed on the cover page and the hedging related charge of \$0.075 per unit described in Structuring the Notes on page TS-19.
<b>Calculation Agent:</b>	Merrill Lynch, Pierce, Fenner & Smith Incorporated ( MLPF&S ).

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## Leveraged Market-Linked Step Up Notes

Linked to a Global Equity Index Basket, due April , 2020

The terms and risks of the notes are contained in this term sheet and in the following:

§ Product prospectus supplement EQUITY INDICES SUN-1 dated February 23, 2017:  
[https://www.sec.gov/Archives/edgar/data/9631/000110465917011241/a17-4372\\_4424b5.htm](https://www.sec.gov/Archives/edgar/data/9631/000110465917011241/a17-4372_4424b5.htm)

§ Prospectus supplement dated February 13, 2017:  
[https://www.sec.gov/Archives/edgar/data/9631/000110465917008642/a17-4372\\_1424b3.htm](https://www.sec.gov/Archives/edgar/data/9631/000110465917008642/a17-4372_1424b3.htm)

§ Prospectus dated February 1, 2017:  
<https://www.sec.gov/Archives/edgar/data/9631/000119312517027656/d338678d424b3.htm>

These documents (together, the Note Prospectus ) have been filed as part of a registration statement with the SEC, which may, without cost, be accessed on the SEC website as indicated above or obtained from MLPF&S by calling 1-800-294-1322. Before you invest, you should read the Note Prospectus, including this term sheet, for information about us and this offering. Any prior or contemporaneous oral statements and any other written materials you may have received are superseded by the Note Prospectus. Capitalized terms used but not defined in this term sheet have the meanings set forth in product prospectus supplement EQUITY INDICES SUN-1. Unless otherwise indicated or unless the context requires otherwise, all references in this document to we, us, our, or similar references are to BNS.

## Investor Considerations

### You may wish to consider an investment in the notes if:

§ You anticipate that the value of the Basket will increase from the Starting Value to the Ending Value.

§ You are willing to risk a substantial or entire loss of principal if the value of the Basket decreases from the Starting Value to the Ending Value.

§ You are willing to forgo the interest payments that are paid on conventional interest bearing debt securities.

§ You are willing to forgo dividends or other benefits of owning the stocks included in the Basket Components.

### The notes may not be an appropriate investment for you if:

§ You believe that the value of the Basket will decrease from the Starting Value to the Ending Value or that it will not increase sufficiently over the term of the notes to provide you with your desired return.

§ You seek principal repayment or preservation of capital.

§ You seek interest payments or other current income on your investment.

§ You want to receive dividends or other distributions paid on the stocks included in the Basket Components.

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§ You are willing to accept a limited or no market for sales prior to maturity, and understand that the market prices for the notes, if any, will be affected by various factors, including our actual and perceived creditworthiness, our internal funding rate and fees and charges on the notes.

§ You seek an investment for which there will be a liquid secondary market.

§ You are unwilling or are unable to take market risk on the notes or to take our credit risk as issuer of the notes.

§ You are willing to assume our credit risk, as issuer of the notes, for all payments under the notes, including the Redemption Amount.

We urge you to consult your investment, legal, tax, accounting, and other advisors before you invest in the notes.

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## Leveraged Market-Linked Step Up Notes

Linked to a Global Equity Index Basket, due April , 2020

### Hypothetical Payout Profile and Examples of Payments at Maturity

The below graph is based on **hypothetical** numbers and values.

#### Market Linked Step Up Notes

This graph reflects the returns on the notes, based on the Threshold Value of 100% of the Starting Value, the Step Up Value of 118% of the Starting Value, the Step Up Payment of \$1.80 per unit, and a Participation Rate of 140% (the midpoint of the Participation Rate range of [130% to 150%]). The green line reflects the returns on the notes, while the dotted gray line reflects the returns of a direct investment in the stocks included in the Basket Components, excluding dividends.

This graph has been prepared for purposes of illustration only.

The following table and examples are for purposes of illustration only. They are based on hypothetical values and show hypothetical returns on the notes. They illustrate the calculation of the Redemption Amount and total rate of return based on the Starting Value of 100, the Threshold Value of 100, the Step Up Value of 118, the Step Up Payment of \$1.80 per unit and a hypothetical Participation Rate of 140% and a range of hypothetical Ending Values. **The actual amount you receive and the resulting total rate of return will depend on the actual Participation Rate, Ending Value, and whether you hold the notes to maturity.** The following examples do not take into account any tax consequences from investing in the notes.

For recent **hypothetical** values of the Basket, see The Basket section below. For recent actual levels of the Basket Components, see The Basket Components section below. Each Basket Component is a price return index and as such the Ending Value will not include any income generated by dividends paid on the stocks included in any of the Basket Components, which you would otherwise be entitled to receive if you invested in those stocks directly. In addition, all payments on the notes are subject to issuer credit risk.

Ending Value	Percentage Change from the Starting Value to the Ending Value	Redemption Amount per Unit	Total Rate of Return on the Notes
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0.00	-100.00%	\$0.00	-100.00%
50.00	-50.00%	\$5.00	-50.00%
80.00	-20.00%	\$8.00	-20.00%
90.00	-10.00%	\$9.00	-10.00%
94.00	-6.00%	\$9.40	-6.00%
97.00	-3.00%	\$9.70	-3.00%
100.00(1)	0.00%	\$11.80(2)	18.00%
102.00	2.00%	\$11.80	18.00%
105.00	5.00%	\$11.80	18.00%
110.00	10.00%	\$11.80	18.00%
118.00(3)	18.00%	\$12.52(4)	25.20%
120.00	20.00%	\$12.80	28.00%
130.00	30.00%	\$14.20	42.00%
140.00	40.00%	\$15.60	56.00%
150.00	50.00%	\$17.00	70.00%
160.00	60.00%	\$18.40	84.00%

(1) The Starting Value and Threshold Value will be set to 100.00 on the pricing date.

(2) This amount represents the sum of the principal amount and the Step Up Payment of \$1.80.

(3) This is the Step Up Value.

(4) The Redemption Amount per unit is based on the **hypothetical** Participation Rate where the Ending Value is equal to or greater than the Step Up Value.



## Leveraged Market-Linked Step Up Notes

Linked to a Global Equity Index Basket, due April , 2020

### Redemption Amount Calculation Examples

#### Example 1

The Ending Value is 90.00, or 90.00% of the Starting Value:

Starting Value: 100.00

Threshold Value: 100.00

Ending Value: 90.00

Redemption Amount per unit

#### Example 2

The Ending Value is 110.00, or 110.00% of the Starting Value:

Starting Value: 100.00

Step Up Value: 118.00

Ending Value: 110.00

Redemption Amount per unit, *the principal amount plus the Step Up Payment, since the Ending Value is equal to or greater than the Starting Value, but less than the Step Up Value.*

#### Example 3

The Ending Value is 150.00, or 150.00% of the Starting Value:

Starting Value: 100.00

Step Up Value: 118.00

Ending Value: 150.00

= \$17.00 Redemption Amount per unit

## Leveraged Market-Linked Step Up Notes

Linked to a Global Equity Index Basket, due April , 2020

### Risk Factors

*There are important differences between the notes and a conventional debt security. An investment in the notes involves significant risks, including those listed below. You should carefully review the more detailed explanation of risks relating to the notes in the Risk Factors sections beginning on page PS-7 of product prospectus supplement EQUITY INDICES SUN-1, page S-2 of the prospectus supplement, and page 6 of the prospectus identified above. We also urge you to consult your investment, legal, tax, accounting, and other advisors before you invest in the notes.*

§ Depending on the performance of the Basket as measured shortly before the maturity date, your investment may result in a loss; there is no guaranteed return of principal.

§ Your return on the notes may be less than the yield you could earn by owning a conventional fixed or floating rate debt security of comparable maturity.

§ Your investment return may be less than a comparable investment directly in the stocks included in the Basket Components.

§ Payments on the notes are subject to our credit risk, and actual or perceived changes in our creditworthiness are expected to affect the value of the notes. If we become insolvent or are unable to pay our obligations, you may lose your entire investment.

§ Our initial estimated value of the notes will be lower than the public offering price of the notes. Our initial estimated value of the notes is only an estimate. The public offering price of the notes will exceed our initial estimated value because it includes costs associated with selling and structuring the notes, as well as hedging our obligations under the notes with a third party, which may include MLPF&S or one of its affiliates. These costs include the underwriting discount and an expected hedging related charge, as further described in Structuring the Notes on page TS-19.

§ Our initial estimated value of the notes does not represent future values of the notes and may differ from others' estimates. Our initial estimated value of the notes is determined by reference to our internal pricing models when the terms of the notes are set. These pricing models consider certain factors, such as our internal funding rate on the pricing date, the expected term of the notes, market conditions and other relevant factors existing at that time, and our assumptions about market parameters, which can include volatility, dividend rates, interest rates and other factors. Different pricing models and assumptions could provide valuations for the notes that are different from our initial estimated value. In addition, market conditions and other relevant factors in the future may change, and any of our assumptions may prove to be incorrect. On future dates, the market value of the notes could change significantly based on, among other things, the performance of the Basket, changes in market conditions, our creditworthiness, interest rate movements and other relevant factors. These factors, together with various credit, market and economic factors over the term of the notes, are expected to reduce the price at which you may be able to sell the notes in any secondary market and will affect the value of the notes in complex and unpredictable ways. Our initial estimated value does not represent a minimum price at which we or any agents would be willing to buy your notes in any secondary market (if any exists) at any time.

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§ Our initial estimated value is not determined by reference to credit spreads or the borrowing rate we would pay for our conventional fixed-rate debt securities. The internal funding rate used in the determination of our initial estimated value of the notes generally represents a discount from the credit spreads for our conventional fixed-rate debt securities and the borrowing rate we would pay for our conventional fixed-rate debt securities. If we were to use the interest rate implied by the credit spreads for our conventional fixed-rate debt securities, or the borrowing rate we would pay for our conventional fixed-rate debt securities, we would expect the economic terms of the notes to be more favorable to you. Consequently, our use of an internal funding rate for the notes would have an adverse effect on the economic terms of the notes, the initial estimated value of the notes on the pricing date, and the price at which you may be able to sell the notes in any secondary market.

§ A trading market is not expected to develop for the notes. Neither we nor MLPF&S is obligated to make a market for, or to repurchase, the notes. There is no assurance that any party will be willing to purchase your notes at any price in any secondary market.

§ Our business, hedging and trading activities, and those of MLPF&S and our respective affiliates (including trades in shares of companies included in the Basket Components), and any hedging and trading activities we, MLPF&S or our respective affiliates engage in for our clients' accounts, may affect the market value and return of the notes and may create conflicts of interest with you.

§ Changes in the level of one of the Basket Components may be offset by changes in the levels of the other Basket Components. Due to the different Initial Component Weights (as defined in The Basket section below), changes in the levels of some Basket Components will have a more substantial impact on the value of the Basket than similar changes in the levels of the other Basket Components.

§ An Index sponsor may adjust the relevant Basket Component in a way that may adversely affect its level and your interests, and has no obligation to consider your interests.

§ You will have no rights of a holder of the securities included in the Basket Components, and you will not be entitled to receive securities or dividends or other distributions by the issuers of those securities.

§ While we, MLPF&S or our respective affiliates may from time to time own securities of companies included in the Basket Components, except to the extent that the common stock of Bank of America Corporation (the parent company of MLPF&S) is

## Leveraged Market-Linked Step Up Notes

Linked to a Global Equity Index Basket, due April , 2020

included in the S&P 500® Index, we, MLPF&S and our respective affiliates do not control any company included in the Basket Components, and have not verified any disclosure made by any other company.

§ Your return on the notes and the value of the notes may be affected by relevant exchange rate movements and factors affecting the international securities markets, specifically changes in the countries represented by the Basket Components.

§ There may be potential conflicts of interest involving the calculation agent, which is MLPF&S. We have the right to appoint and remove the calculation agent.

§ The U.S. federal income tax consequences of the notes are uncertain, and may be adverse to a holder of the notes. See Summary of U.S. Federal Income Tax Consequences below.

§ The conclusion that no portion of the interest paid or credited or deemed to be paid or credited on a note will be Participating Debt Interest subject to Canadian withholding tax is based in part on the current published administrative position of the CRA. There cannot be any assurance that CRA's current published administrative practice will not be subject to change, including potential expansion in the current administrative interpretation of Participating Debt Interest subject to Canadian withholding tax. If, at any time, the interest paid or credited or deemed to be paid or credited on a note is subject to Canadian withholding tax, you will receive an amount that is less than the Redemption Amount. You should consult your own adviser as to the potential for such withholding and the potential for reduction or refund of part or all of such withholding, including under any bilateral Canadian tax treaty the benefits of which you may be entitled. For a discussion of the Canadian federal income tax consequences of investing in the notes, see Summary of Canadian Federal Income Tax Consequences below, Canadian Taxation Debt Securities on page 50 of the prospectus dated February 1, 2017, and Supplemental Discussion of Canadian Federal Income Tax Consequences on page PS-29 of product prospectus supplement EQUITY INDICES SUN-1.

## Other Terms of the Notes

### Market Measure Business Day

The following definition shall supersede and replace the definition of a Market Measure Business Day set forth in product prospectus supplement EQUITY INDICES SUN-1.

A Market Measure Business Day means a day on which:

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(A) each of the New York Stock Exchange and NASDAQ Stock Market, Inc. (as to the S&P 500® Index), the Eurex (as to the EURO STOXX 50® Index), and the London Stock Exchange, Frankfurt Stock Exchange, Paris Bourse, and Tokyo Stock Exchange (as to the MSCI EAFE® Index) (or any successor to the foregoing exchanges) are open for trading; and

(B) the Basket Components or any successors thereto are calculated and published.

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## Leveraged Market-Linked Step Up Notes

Linked to a Global Equity Index Basket, due April , 2020

### The Basket

The Basket is designed to allow investors to participate in the percentage changes in the levels of the Basket Components from the Starting Value to the Ending Value of the Basket. The Basket Components are described in the section "The Basket Components" below. Each Basket Component will be assigned an initial weight on the pricing date, as set forth in the table below.

For more information on the calculation of the value of the Basket, please see the section entitled "Description of the Notes Basket Market Measures" beginning on page PS-23 of product prospectus supplement EQUITY INDICES SUN-1.

If April 5, 2017 were the pricing date, for each Basket Component, the Initial Component Weight, the closing level, the hypothetical Component Ratio and the initial contribution to the Basket value would be as follows:

Basket Component	Bloomberg Symbol	Initial Component Weight	Closing Level(1)(2)	Hypothetical Component Ratio(1)(3)	Initial Basket Value Contribution
S&P 500® Index	SPX				