BANK OF NOVA SCOTIA
Form 424B2
September 19, 2016

		Filed Pursuant to Rule 424(b)(2) Registration Statement No. 333-200089 (To Prospectus dated December 1, 2014, Prospectus Supplement dated December 1, 2014 and Product Prospectus Supplement EQUITY INDICES SUN-1 dated December 7, 2015)

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 and Additional Risk Factors beginning on page TS-7 of this term sheet and Risk Factors 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 $9.59 per unit, which is less than the public offering price listed below. See Summary on the following page, Risk Factors beginning on page TS-7 of this term sheet and Structuring the Notes on page TS-14 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.

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.

	Per Unit	Total
Public offering price	$ 10.00	$ 13,671,620.00
Underwriting discount	$ 0.20	$ 273,432.40
Proceeds, before expenses, to BNS	$ 9.80	$ 13,398,187.60

The notes:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value

Merrill Lynch & Co.

September 15, 2016

Autocallable Market-Linked Step Up Notes

Linked to the Russell 2000® Index, due September 24, 2021

Summary

The Autocallable Market-Linked Step Up Notes Linked to the Russell 2000® Index, due September 24, 2021 (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 will be automatically called at the applicable Call Amount if the Observation Level of the Market Measure, which is the Russell 2000® Index (the Index), is equal to or greater than the Call Level on the relevant Observation Date. If not called, at maturity, the notes provide you with a Step Up Payment if the Ending Value of the Index is equal to or greater than the Starting Value, but is not greater than the Step Up Value. If the Ending Value is greater than the Step Up Value, you will participate on a 1-for-1 basis in the increase in the level of the Index above the Starting Value. If the Ending Value is less than the Starting Value but greater than or equal to the Threshold Value, you will receive the principal amount of your notes. If the Ending Value is less than the Threshold Value, you will lose a portion, which could be significant, of the principal amount of your notes. Payments on the notes, including the amount you receive at maturity or upon an automatic call, will be calculated based on the $10 principal amount per unit and will depend on the performance of the Index, subject to our credit risk. See Terms of the Notes below.

The economic terms of the notes (including the Call Premiums and Call Amounts) 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, reduced 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 is greater than the initial estimated value of the notes.

On the cover page of this term sheet, we have provided the initial estimated value for the notes. This estimated value 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-14.

Terms of the Notes

Issuer:	The Bank of Nova Scotia (BNS)	**Call Settlement Dates:**	Approximately the fifth business day following the applicable Observation Date, subject to postponement if the related Observation Date is postponed, as described beginning on page PS-21 of product prospectus supplement EQUITY INDICES SUN-1.
Principal Amount:	$10.00 per unit	**Call Premiums:**	$0.715 per unit if called on September 22, 2017 (which represents a return of 7.15% over the principal amount), $1.430 per unit if called on September 21, 2018 (which represents a return of 14.30% over the principal amount), $2.145 per unit if called on September 20, 2019 (which represents a return of 21.45% over the principal amount), and $2.860 per

			unit if called on September 18, 2020 (which represents a return of 28.60% over the principal amount).
Term:	Approximately five years, if not called	**Ending Value:**	The closing level of the Market Measure on the scheduled calculation day. 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.
Market Measure:	The Russell 2000® Index (Bloomberg symbol: RTY), a price return index	**Step Up Value:**	1,656.481 (135.00% of the Starting Value, rounded to three decimal places).
Starting Value:	1,227.023	**Step Up Payment:**	$3.50 per unit, which represents a return of 35.00% over the principal amount.
Observation Level:	The closing level of the Market Measure on the applicable Observation Date.	**Threshold Value:**	1,042.970 (85.00% of the Starting Value, rounded to three decimal places).
Observation Dates:	September 22, 2017, September 21, 2018, September 20, 2019 and September 18, 2020, 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.	**Calculation Day:**	September 17, 2021
Call Level:	100.00% of the Starting Value	**Fees and Charges:**	The underwriting discount of $0.20 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-14.
Call Amounts (per Unit):	$10.715 if called on September 22, 2017, $11.430 if called on September 21, 2018, $12.145 if called on September 20, 2019, and $12.860 if called on September 18, 2020.	**Calculation Agent:**	Merrill Lynch, Pierce, Fenner & Smith Incorporated (MLPF&S).

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Determining Payment on the Notes

Automatic Call Provision

The notes will be called automatically on an Observation Date if the Observation Level on that Observation Date is equal to or greater than the Call Level. If the notes are called, you will receive $10 per unit plus the applicable Call Premium.

Redemption Amount Determination

If the notes are not automatically called, on the maturity date, you will receive a cash payment per unit determined as follows:

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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 December 7, 2015:
http://www.sec.gov/Archives/edgar/data/9631/000089109215010457/e67267_424b5.htm

§ Prospectus supplement dated December 1, 2014:
http://www.sec.gov/Archives/edgar/data/9631/000089109214008993/e61583-424b3.htm

§ Prospectus dated December 1, 2014:
http://www.sec.gov/Archives/edgar/data/9631/000089109214008992/e61582_424b3.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 are willing to receive a return on your investment capped at the applicable Call Premium if the relevant Observation Level is equal to or greater than the Call Level.

§ You anticipate that the notes will be automatically called or the Index will increase from the Starting Value to the Ending Value.

§ You are willing to risk a substantial loss of principal and return if the notes are not automatically called and the Index decreases from the Starting Value to an Ending Value that is below the Threshold Value.

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

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

§ You want to hold your notes for the full term.

§ You believe that the notes will not be automatically called and the Index will decrease from the Starting Value to the Ending Value.

§ You seek 100.00% 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 Index.

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

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

§ 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.

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

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Hypothetical Payout Profile and Examples of Payments at Maturity

These hypothetical values show a payout profile at maturity, which would only apply if the notes are not called on any Observation Date.

Autocallable Market-Linked Step Up Notes

This graph reflects the returns on the notes, based on the Threshold Value of 85.00% of the Starting Value, the Step Up Payment of $3.50 per unit and the Step Up Value of 135.00% of the Starting Value. 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 Index, 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, assuming the notes are not called on any Observation Date. They illustrate the calculation of the Redemption Amount and total rate of return based on a hypothetical Starting Value of 100, a Threshold Value of 85, the Step Up Value of 135, the Step Up Payment of $3.50 per unit and a range of hypothetical Ending Values. **The actual amount you receive and the resulting total rate of return will depend on the actual Starting Value, Threshold Value, Ending Value, Step Up Value, whether the notes are called on an Observation Date, 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 actual levels of the Market Measure, see The Index section below. The Index 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 the Index, 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
0.00	-100.00%	$1.50	-85.00%
50.00	-50.00%	$6.50	-35.00%
75.00	-25.00%	$9.00	-10.00%

80.00	-20.00%	$9.50	-5.00%
85.00(1)	-15.00%	$10.00	0.00%
90.00	-10.00%	$10.00	0.00%
95.00	-5.00%	$10.00	0.00%
97.00	-3.00%	$10.00	0.00%
100.00(2)	0.00%	$13.50(3)	35.00%
105.00	5.00%	$13.50	35.00%
110.00	10.00%	$13.50	35.00%
120.00	20.00%	$13.50	35.00%
130.00	30.00%	$13.50	35.00%
135.00(4)	35.00%	$13.50	35.00%
140.00	40.00%	$14.00	40.00%
150.00	50.00%	$15.00	50.00%
154.00	54.00%	$15.40	54.00%
160.00	60.00%	$16.00	60.00%

(1) This is the **hypothetical** Threshold Value.

(2) The **hypothetical** Starting Value of 100 used in these examples has been chosen for illustrative purposes only. The actual Starting Value was 1,227.023, which was the closing level of the Market Measure on the pricing date.

(3) This amount represents the sum of the principal amount and the Step Up Payment of $3.50.

(4) This is the **hypothetical** Step Up Value.

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Redemption Amount Calculation Examples

Example 1
The Ending Value is 75.00, or 75.00% of the Starting Value:

Starting Value:	100.00
Threshold Value:	85.00
Ending Value:	75.00

Redemption Amount per unit

Example 2
The Ending Value is 95.00, or 95.00% of the Starting Value:

Starting Value:	100.00
Threshold Value:	85.00
Ending Value:	95.00

Redemption Amount per unit **= $10.00***, the principal amount, since the Ending Value is less than the Starting Value, but is equal to or greater than the Threshold Value.*

Example 3
The Ending Value is 110.00, or 110.00% of the Starting Value:

Starting Value:	100.00
Step Up Value:	135.00
Ending Value:	110.00

$10.00 + $3.50 = $13.50 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 4
The Ending Value is 154.00, or 154.00% of the Starting Value:

Starting Value:	100.00
Step Up Value:	135.00
Ending Value:	154.00

Redemption Amount per unit

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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.

§ If the notes are not automatically called, depending on the performance of the Index 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.

§ If the notes are called, your investment return is limited to the return represented by the applicable Call Premium.

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

§ 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 is 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 exceeds 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-14.

§ 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, andle="font-family:inherit;font-size:10pt;font-weight:bold;">

The notes will be issued and sold in denominations of $1,000 and multiples of $1,000 (unless otherwise stated in the pricing supplement).

Status

The notes will be our direct unsecured senior obligations and will rank equally with all of our other unsecured senior indebtedness from time to time outstanding.

Maturities

Each note will mature 12 months or more from its date of original issuance.

Interest

Notes may be issued with a fixed or floating interest rate; a floating interest rate note will be based on the London Interbank Offered Rate ("LIBOR").

Interest on each fixed or floating interest rate note will be payable either monthly, quarterly, semi-annually or annually on each interest payment date and on the stated maturity date. Interest also will be paid on the date of redemption or repayment if a note is redeemed or repaid prior to its stated maturity in accordance with its terms.

Interest on the notes will be computed on the basis of a 360-day year of twelve 30-day months, often referred to as the 30/360 (ISDA) day count convention.

Principal

The principal amount of each note will be payable on its stated maturity date at the corporate trust office of the paying agent or at any other place we may designate.

Redemption and Repayment

Unless otherwise stated in the applicable pricing supplement, a note will not be redeemable at our option or be repayable at the option of the holder prior to its stated maturity date. The notes will not be subject to any sinking fund.

Survivor's Option

Specific notes may contain a provision permitting the optional repayment of those notes prior to stated maturity, if requested by the authorized representative of the beneficial owner of those notes, following the death of the beneficial owner of the notes, so long as the notes were owned by the beneficial owner or his or her estate at least six months prior to the request. This feature is referred to as a "Survivor's Option." Your notes will not be repaid in this manner unless the pricing supplement for your notes provides for the Survivor's Option. If the pricing supplement for your notes provides for the Survivor's Option, your right to exercise the Survivor's Option will be subject to limits set by us on (1) the permitted dollar amount of total exercises by all holders of notes in any calendar year, and (2) the permitted dollar amount of an individual exercise by a holder of a note in any calendar year. Additional details on the Survivor's Option are described in the section entitled "Description of Notes—Survivor's Option."

Sale and Clearance

We will sell notes in the United States only. Notes will be issued in book-entry only form and will clear through The Depository Trust Company. We do not intend to issue notes in certificated form.

Trustee

The trustee for the notes is U.S. Bank National Association, under an indenture dated as of February 16, 2012, as amended and as supplemented from time to time.

Selling Group	The agents and dealers comprising the selling group are broker-dealers and securities firms. Each of the Purchasing Agent, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc. and RBC Capital Markets, LLC entered into a Fourth Amended and Restated Selling Agent Agreement with us dated November 7, 2014 (as amended, the "Selling Agent Agreement"). Additional agents appointed by us from time to time in connection with the offering of the notes contemplated by this prospectus supplement will become parties to the Selling Agent Agreement. Dealers who are members of the selling group have executed a Master Selected Dealer Agreement with the Purchasing Agent. The agents and the dealers have agreed to market and sell the notes in accordance with the terms of those respective agreements and all other applicable laws and regulations. You may contact the Purchasing Agent at info@incapital.com for a list of selling group members.

SELECTED CONDENSED FINANCIAL DATA

You should read the condensed consolidated financial information below with the Consolidated Financial Statements and notes thereto included in this prospectus supplement and the accompanying prospectus. Financial information below for the years ended June 30, 2014, 2013, 2012, 2011 and 2010 has been derived from the financial statements that were audited by our independent registered public accounting firm. The selected consolidated financial data at and for the three and six month periods ended December 31, 2014 and 2013 has been derived from unaudited financial data. Interim results for the three and six months ended December 31, 2014 are not necessarily indicative of the results that may be expected for the year ending June 30, 2015. Certain reclassifications have been made to the prior period financial information to conform to the current period presentation. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" starting on page S-22 for more information.

	For the Three Months Ended December 31,		For the Six Months Ended December 31,		For the Year Ended June 30,			
	2014	2013	2014	2013	2014	2013	2012	2011
	(in thousands except data relating to shares, per share and number of portfolio companies)							
Performance Data:								
Interest income	$188,814	$147,103	$372,954	$285,524	$613,741	$435,455	$219,536	$13
Dividend income	2,011	8,892	4,236	15,981	26,837	82,705	64,881	15,0
Other income	8,058	22,095	23,714	37,619	71,713	58,176	36,493	19,9
Total investment income	198,883	178,090	400,904	339,124	712,291	576,336	320,910	169,
Interest and credit facility expenses	(42,244)	(29,256)	(85,158)	(56,663)	(130,103)	(76,341)	(38,534)	(17,
Investment advisory expense	(56,865)	(48,129)	(113,646)	(91,758)	(198,296)	(151,031)	(82,507)	(46,
Other expenses	(8,449)	(8,490)	(16,312)	(16,151)	(26,669)	(24,040)	(13,185)	(11,
Total expenses	(107,558)	(85,875)	(215,116)	(164,572)	(355,068)	(251,412)	(134,226)	(75,
Net investment income	91,325	92,215	185,788	174,552	357,223	324,924	186,684	94,2
Realized and unrealized (losses) gains	(5,355)	(6,853)	(15,710)	(9,290)	(38,203)	(104,068)	4,220	24,0
Net increase in net assets from operations	$85,970	$85,362	$170,078	$165,262	$319,020	$220,856	$190,904	$11
Per Share Data:								
Net increase in net assets from operations(1)	$0.24	$0.30	$0.49	$0.61	$1.06	$1.07	$1.67	$1.3
Distributions declared per share	$(0.33)	$(0.33)	$(0.66)	$(0.66)	$(1.32)	$(1.28)	$(1.22)	$(1.
Average weighted	354,100,179	287,016,433	348,729,620	272,550,293	300,283,941	207,069,971	114,394,554	85,9

shares outstanding for the period								
Assets and Liabilities Data:								
Investments	$6,523,723	$4,886,020	$6,523,723	$4,886,020	$6,253,739	$4,172,852	$2,094,221	$1,4
Other assets	192,694	308,002	192,694	308,002	223,530	275,365	161,033	86,3
Total assets	6,716,417	5,194,022	6,716,417	5,194,022	6,477,269	4,448,217	2,255,254	1,54
Amount drawn on credit facility	177,700	—	177,700	—	92,000	124,000	96,000	84,2
Convertible notes	1,247,500	847,500	1,247,500	847,500	1,247,500	847,500	447,500	322,
Public notes	647,998	347,814	647,998	347,814	647,881	347,725	100,000	—
InterNotes®	785,317	600,907	785,317	600,907	785,670	363,777	20,638	—
Amount owed to Prospect Administration and Prospect Capital Management	60,954	49,849	60,954	49,849	2,211	6,690	8,571	7,91
Other liabilities	87,871	116,853	87,871	116,853	83,825	102,031	70,571	20,3
Total liabilities	3,007,340	1,962,923	3,007,340	1,962,923	2,859,087	1,791,723	743,280	434,
Net assets	$3,709,077	$3,231,099	$3,709,077	$3,231,099	$3,618,182	$2,656,494	$1,511,974	$1,1
Investment Activity Data:								
No. of portfolio companies at period end	134	130	134	130	142	124	85	72
Acquisitions	$522,705	$607,657	$1,409,910	$1,164,500	$2,952,456	$3,103,217	$1,120,659	$95
Sales, repayments, and other disposals	$223,740	$255,238	$1,086,884	$419,405	$787,069	$931,534	$500,952	$28
Total return based on market value(3)	(13.53)%	3.40%	(16.94)%	10.13%	10.9%	6.2%	27.2%	17.2
Total return based on net asset value(3)	2.45%	3.03%	4.77%	6.10%	11.0%	10.9%	18.0%	12.5
Weighted average yield at end of period(4)	12.3%	12.9%	12.3%	12.9%	12.1%	13.6%	13.9%	12.8

(1) Per share data is based on average weighted shares for the period.
(2) Includes $207,126 of acquired portfolio investments from Patriot Capital Funding, Inc.
(3) Total return based on market value is based on the change in market price per share between the opening and ending market prices per share in each period and assumes that dividends are reinvested in accordance with our

dividend reinvestment plan. Total return based on net asset value is based upon the change in net asset value per share

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between the opening and ending net asset values per share in each period and assumes that dividends are reinvested in accordance with our dividend reinvestment plan. For periods less than a year, the return is not annualized.
(4) Excludes equity investments and non-performing loans.

RISK FACTORS

Your investment in the notes will involve certain risks. This prospectus supplement and the accompanying prospectus do not describe all of those risks.

You should, in consultation with your own financial and legal advisors, carefully consider the following discussion of risks before deciding whether an investment in the notes is suitable for you. The notes will not be an appropriate investment for you if you are not knowledgeable about significant features of the notes or financial matters in general. You should not purchase the notes unless you understand, and know that you can bear, these investment risks.

Our amount of debt outstanding will increase as a result of this offering. Our current indebtedness could adversely affect our business, financial condition and results of operations and our ability to meet our payment obligations under the notes and our other debt.

As of February 5, 2015, we and our subsidiaries had $168.7 million of secured indebtedness outstanding and approximately $2.7 billion of unsecured senior indebtedness outstanding.

The use of debt could have significant consequences on our future operations, including:

- making it more difficult for us to meet our payment and other obligations under the notes and our other outstanding debt;
- resulting in an event o