

BANK OF NOVA SCOTIA
Form 424B2
September 19, 2016

		<p>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)</p>
--	--	---

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-7 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 \$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.

	<u>Per Unit</u>	<u>Total</u>
Public offering price	\$ 10.00	\$28,505,360.00
Underwriting discount	\$ 0.20	\$570,107.20
Proceeds, before expenses, to BNS	\$ 9.80	\$27,935,252.80

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 S&P 500® Index, due September 30, 2022

Summary

The Autocallable Market-Linked Step Up Notes Linked to the S&P 500® Index, due September 30, 2022 (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 S&P 500® 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:	\$0.64 per unit if called on September 22, 2017 (which represents a return of 6.40% over the principal amount), \$1.28 per unit if called on September 21, 2018 (which represents a return of 12.80% over the principal amount), \$1.92 per unit if called on September 20, 2019 (which represents a return of 19.20% over the principal amount), \$2.56 per unit if called on

Edgar Filing: BANK OF NOVA SCOTIA - Form 424B2

Term:	Approximately six years, if not called	Ending Value:	September 18, 2020 (which represents a return of 25.60% over the principal amount), and \$3.20 per unit if called on September 17, 2021 (which represents a return of 32.00% over the principal amount). 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 S&P 500® Index (Bloomberg symbol: SPX), a price return index	Step Up Value:	2,898.80 (135.00% of the Starting Value, rounded to two decimal places).
Starting Value:	2,147.26	Step Up Payment:	\$3.50 per unit, which represents a return of 35% over the principal amount.
Observation Level:	The closing level of the Market Measure on the applicable Observation Date.	Threshold Value:	1,825.17 (85% of the Starting Value, rounded to two decimal places).
Observation Dates:	September 22, 2017, September 21, 2018, September 20, 2019, September 18, 2020 and September 17, 2021, 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 23, 2022
Call Level:	100% 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):	\$10.64 if called on September 22, 2017, \$11.28 if called on September 21, 2018, \$11.92 if called on September 20, 2019, \$12.56 if called on September 18, 2020, and \$13.20 if called on September 17, 2021.	Calculation Agent:	Merrill Lynch, Pierce, Fenner & Smith Incorporated (MLPF&S).

Autocallable Market-Linked Step Up Notes	TS-2
--	------

Autocallable Market-Linked Step Up Notes

Linked to the S&P 500® Index, due September 30, 2022

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:

Autocallable Market-Linked Step Up Notes

TS-3

Autocallable Market-Linked Step Up Notes

Linked to the S&P 500® Index, due September 30, 2022

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% 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.

Edgar Filing: BANK OF NOVA SCOTIA - Form 424B2

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

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

§ 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 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.

Autocallable Market-Linked Step Up Notes	TS-4
--	------

Autocallable Market-Linked Step Up Notes

Linked to the S&P 500® Index, due September 30, 2022

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% of the Starting Value, the Step Up Payment of \$3.50 per unit and the Step Up Value of 135% 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, a 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
--------------	---	----------------------------	-----------------------------------

Edgar Filing: BANK OF NOVA SCOTIA - Form 424B2

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%
94.00	-6.00%	\$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%
102.00	2.00%	\$13.50	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 is 2,147.26, 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.

Autocallable Market-Linked Step Up Notes	TS-5
--	------

Autocallable Market-Linked Step Up Notes

Linked to the S&P 500® Index, due September 30, 2022

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

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

Autocallable Market-Linked Step Up Notes	TS-6
--	------

Autocallable Market-Linked Step Up Notes

Linked to the S&P 500® Index, due September 30, 2022

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, 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 Index, changes in market

Edgar Filing: BANK OF NOVA SCOTIA - Form 424B2

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.

§ 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