

BANK OF NOVA SCOTIA  
 Form FWP  
 January 12, 2017

Filed Pursuant to Rule 433  
 Registration Statement No. 333-200089

|                                       |   |
|---------------------------------------|---|
| <b>Issuer</b>                         | <b>Market-Linked Step Up Notes Linked to the STOXX® Europe 600 Banks Index</b>  |
| <b>Principal Amount</b>               | The Bank of Nova Scotia ( BNS )<br>\$10.00 per unit   |
| <b>Term</b>                           | Approximately two years   |
| <b>Market Measure</b>                 | The STOXX® Europe 600 Banks Index (Bloomberg symbol: SX7P )   |
| <b>Payout Profile at Maturity</b>     | <ul style="list-style-type: none"> <li>• If the Market Measure is flat or increases up to the Step Up Value, a return equal to the Step Up Payment</li> <li>• If the Market Measure increases above the Step Up Value, a return equal to the percentage increase in the Market Measure</li> <li>• 1-to-1 downside exposure to decreases in the Market Measure, with up to 100% of your principal at risk</li> </ul> |
| <b>Step Up Value</b>                  | [128% to 134%] of the Starting Value, to be determined on the pricing date  |
| <b>Step Up Payment</b>                | [\$2.80 to \$3.40] per unit, a [28% to 34%] return over the principal amount, to be determined on the pricing date  |
| <b>Threshold Value</b>                | 100% of the Starting Value  |
| <b>Investment Considerations</b>      | This investment is designed for investors who anticipate that the Market Measure will increase over the term of the notes and are willing to take full downside risk and forgo interim interest payments.   |
| <b>Preliminary Offering Documents</b> | <a href="https://www.sec.gov/Archives/edgar/data/9631/000110465917002015/a17-1494_4fwf.htm">https://www.sec.gov/Archives/edgar/data/9631/000110465917002015/a17-1494_4fwf.htm</a>   |
| <b>Exchange Listing</b>               | No  |

*This graph reflects the hypothetical return on the investment based on the mid-point of the range(s) set forth in the table to the left. This graph has been prepared for illustrative purposes only.*

**You should read the relevant Preliminary Offering Documents before you invest.**

**Click on the Preliminary Offering Documents hyperlink above or call your Financial Advisor for a hard copy.**

**Risk Factors**

Please see the Preliminary Offering Documents for a description of certain risks related to this investment, including, but not limited to, the following:

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- Depending on the performance of the Market Measure as measured shortly before the maturity date, your investment may result in a loss; there is no guaranteed return of principal.
- Payments on the notes are subject to the credit risk of BNS, and actual or perceived changes in the creditworthiness of BNS are expected to affect the value of the notes. If BNS becomes insolvent or is unable to pay its obligations, you may lose your entire investment.
- The initial estimated value of the notes on the pricing date will be less than their public offering price.
- If you attempt to sell the notes prior to maturity, their market value may be lower than both the public offering price and the initial estimated value of the notes on the pricing date.
- You will have no rights of a holder of the securities represented by the Market Measure, and you will not be entitled to receive securities or dividends or other distributions by the issuers of those securities.
- Your return on the notes may be affected by exchange rate movements and other factors affecting the international securities markets, specifically changes in the European markets. The European markets are and have been undergoing severe financial stress, and the political, legal and regulatory ramifications are impossible to predict. Changes in the European markets could adversely affect the performance of the Market Measure and, consequently, the value of the notes.
- A limited number of stocks included in the Market Measure may affect its level.
- The stocks included in the Market Measure are concentrated in one sector.
- Adverse conditions in the financial sector may reduce your return on the notes.
- Economic conditions have adversely impacted the stock prices of many companies in the financial services sector, and may do so during the term of the notes.

*Final terms will be set on the pricing date within the given range for the specified Market-Linked Investment. Please see the Preliminary Offering Documents for complete product disclosure, including related risks and tax disclosure.*

The Bank of Nova Scotia ( BNS ) has filed a registration statement (which includes a prospectus) with the U.S. Securities and Exchange Commission (SEC) for the notes that are described in this Guidebook. Before you invest, you should carefully read the prospectus in that registration statement and other documents that BNS has filed with the SEC for more complete information about BNS and any offering described in this Guidebook. You may obtain these documents without cost by visiting EDGAR on the SEC Website at [www.sec.gov](http://www.sec.gov). BNS's Central Index Key, or CIK, on the SEC website is 9631. Alternatively, Merrill Lynch will arrange to send you the prospectus and other documents relating to any offering described in this document if you so request by calling toll-free 1-800-294-1322. BNS faces risks that are specific to its business, and we encourage you to carefully consider these risks before making an investment in its securities.