

BANK OF NOVA SCOTIA
Form 424B2
December 02, 2016

Filed Pursuant to Rule 424(b)(2)

Registration No. 333-200089

Pricing Supplement dated November 30, 2016 to the

Prospectus dated December 1, 2014

Prospectus Supplement dated December 1, 2014 and Product Prospectus Supplement (Equity Linked Index Notes, Series A) dated July 9, 2015

The Bank of Nova Scotia

\$2,155,000

Market Linked Securities Leveraged Upside Participation to a Cap and Fixed Percentage Buffered Downside, Principal at Risk Securities, Series A

Linked to the EURO STOXX 50® Index

Due December 6, 2021

The Market Linked Securities Leveraged Upside Participation to a Cap and Fixed Percentage Buffered Downside, Principal at Risk Securities, Series A, Linked to the EURO STOXX 50® Index Due December 6, 2021 (the Securities) offered hereunder are unsecured obligations of The Bank of Nova Scotia (the Bank) and are subject to investment risks including possible loss of the Principal Amount invested due to the negative performance of the Reference Asset and the credit risk of The Bank of Nova Scotia. As used in this pricing supplement, the Bank, we, us or our refers to The Bank of Nova Scotia.

The Securities will not be listed on any U.S. securities exchange or automated quotation system.

The Securities will not bear interest. The amount that you will be paid on your Securities at maturity will be based on the performance of the EURO STOXX 50® Index (which we refer to as the Reference Asset or Index) as measured from the Pricing Date to and including the Calculation Day. **If the Percentage Change (defined below) of the Reference Asset is negative and is below -20.00% (the Ending Level is less than the Starting Level by more than 20.00%), you will lose a portion of your investment in the Securities and may lose up to 80% of your investment depending on the performance of the Reference Asset. Additionally, the amount you may receive for each \$1,000 Principal Amount of your Securities at maturity is subject to a Capped Value of \$1,980.00 per \$1,000 Principal Amount of your Securities. In addition, any payment on your Securities is subject to the creditworthiness of The Bank of Nova Scotia.**

Edgar Filing: BANK OF NOVA SCOTIA - Form 424B2

To determine your payment at maturity, we will first calculate the percentage increase or decrease in the Ending Level (determined on the Calculation Day, subject to adjustment) from the Starting Level (which is the closing level of the Reference Asset on the Pricing Date), which we refer to as the Percentage Change. The Percentage Change may reflect a positive return (based on any increase in the level of the Reference Asset over the life of the Securities) or a negative return (based on any decrease in the level of the Reference Asset over the life of the Securities). At maturity, for each \$1,000 Principal Amount of your Securities:

- if the Ending Level is *greater than* the Starting Level (the Percentage Change is *positive*), you will receive an amount in cash equal to the *sum* of (i) \$1,000 *plus* (ii) the *product* of \$1,000 *times* the Percentage Change, times the Participation Rate of 200%, subject to the Capped Value;
- if the Ending Level is *less than* or *equal to* the Starting Level but not by more than 20.00% (the Percentage Change is *zero* or *negative* but not below -20.00%), you will receive an amount in cash equal to \$1,000; or
- if the Ending Level is *less than* the Starting Level by more than 20.00% (the Percentage Change is *negative* and below -20.00%), you will receive less than \$1,000 and have a 1-to-1 downside exposure to the portion of such decrease in the Reference Asset that exceeds 20.00%. In this case, you will receive an amount in cash *equal to the sum of*: (1) \$1,000 *plus* (2) the *product of* (i) \$1,000 *times* (ii) the *sum of* the Percentage Change *plus* 20.00%.

Following the determination of the Starting Level, the amount you will be paid on your Securities at maturity will not be affected by the closing level of the Reference Asset on any day other than the Calculation Day. You could lose up to 80% of your investment in the Securities. A percentage decrease of more than 20.00% between the Starting Level and the Ending Level will reduce the payment you will receive at maturity below the Principal Amount of your Securities. Further, the Capped Value that you could receive at maturity with respect to each \$1,000 Principal Amount of your Securities (the minimum denomination) is limited to \$1,980.00 per \$1,000 Principal Amount of your Securities. In addition, the Securities will not bear interest, and no other payments on your Securities will be made prior to maturity.

The difference between the estimated value of your Securities and the Original Offering Price reflects costs that the Bank expects to incur and profits that the Bank expects to realize in connection with hedging activities related to the Securities. These costs and profits will likely reduce the secondary market price, if any, at which the Underwriters are willing to purchase the Securities. The Underwriters may, but are not obligated to, purchase any Securities. As a result, you may experience an immediate and substantial decline in the market value of your Securities on the Trade Date and you may lose a substantial portion of your initial investment. The Bank's profit in relation to the Securities will vary based on the difference between (i) the amounts received by the Bank in connection with the issuance and the reinvestment return received by the Bank in connection with such amounts and (ii) the costs incurred by the Bank in connection with the issuance of the Securities and the hedging transactions it effects. The Bank's affiliates or the Underwriters' affiliates may also realize a profit from a hedging transaction with our affiliate and/or an affiliate of Wells Fargo Securities, LLC ("WFS") in connection with your Securities as described under "The Bank's Estimated Value of the Securities" .

The return on your Securities will relate to the price return of the Reference Asset and will not include a total return or dividend component. The Securities are derivative products based on the performance of the Reference Asset. The Securities do not constitute a direct investment in any of the shares, units or other securities represented by the Reference Asset. By acquiring Securities, you will not have any direct economic or other interest in, claim or entitlement to, or any legal or beneficial ownership of any such share, unit or security and will not have any rights as a shareholder, unitholder or other security holder of any of the issuers including, without limitation, any voting rights or rights to receive dividends or other distributions.

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ("SEC"), NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SECURITIES OR PASSED UPON THE ACCURACY OR THE ADEQUACY OF THIS DOCUMENT, THE ACCOMPANYING PROSPECTUS, PROSPECTUS SUPPLEMENT OR PRODUCT PROSPECTUS SUPPLEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE SECURITIES ARE NOT INSURED BY THE CANADA DEPOSIT INSURANCE CORPORATION PURSUANT TO THE CANADA DEPOSIT INSURANCE CORPORATION ACT OR THE U.S. FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY OF CANADA, THE UNITED STATES OR ANY OTHER JURISDICTION.

Edgar Filing: BANK OF NOVA SCOTIA - Form 424B2

Scotia Capital (USA) Inc., our affiliate, will purchase the Securities from us for distribution to other registered broker dealers including WFS or will offer the Securities directly to investors. Scotia Capital (USA) Inc. or any of its affiliates or agents may use this pricing supplement in market-making transactions in Securities after their initial sale. If you are buying Securities from Scotia Capital (USA) Inc. or another of its affiliates or agents, this pricing supplement may be used in a market-making transaction. See Supplemental Plan of Distribution (Conflicts of Interest) in this pricing supplement and Supplemental Plan of Distribution on page PS-24 of the accompanying product prospectus supplement.

	Per Security	Total
Price to public ¹	100.00%	\$2,155,000.00
Underwriting commissions ²	4.50%	\$96,975.00
Proceeds to The Bank of Nova Scotia ³	95.50%	\$2,058,025.00

The Securities have complex features and investment in the Securities involves certain risks. You should refer to Additional Risks beginning on page P-13 in this pricing supplement and Additional Risk Factors Specific to the Notes beginning on page PS-5 of the accompanying product prospectus supplement and Risk Factors beginning on page S-2 of the accompanying prospectus supplement and on page 6 of the accompanying prospectus.

We will deliver the Securities in book-entry form through the facilities of The Depository Trust Company (DTC) on or about December 5, 2016 against payment in immediately available funds.

Scotia Capital (USA) Inc.

Wells Fargo Securities, LLC.

¹ The estimated value of the Securities as determined by the Bank as of the Pricing Date is \$928.72 (92.872%) per \$1,000 Principal Amount of the Securities. See The Bank's Estimated Value of the Securities in this pricing supplement for additional information.

² Scotia Capital (USA) Inc. or one of our affiliates will purchase the aggregate Principal Amount of the Securities and as part of the distribution, will sell the Securities to WFS at a discount of \$45.00 (4.50%) per \$1,000 Principal Amount of the Securities. Wells Fargo Securities, LLC will provide selected dealers, which may include Wells Fargo Advisors (WFA), with a selling concession of \$25.00 (2.50%) per \$1,000 Principal Amount of the Securities, and WFA will receive a distribution expense fee of \$1.20 (0.12%) per \$1,000 Principal Amount of the Securities for Securities sold by WFA. See Supplemental Plan of Distribution (Conflicts of Interest) in this pricing supplement. Wells Fargo Advisors is a trade name used by Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC, members SIPC, separate registered broker-dealers and non-bank affiliates of Wells Fargo & Company.

³ Excludes profits from hedging. For additional considerations relating to hedging activities see Additional Risks The Inclusion of Dealer Spread and Projected Profit from Hedging in the Original Offering Price is Likely to Adversely Affect Secondary Market Prices in this pricing supplement.

Summary

The information in this Summary section is qualified by the more detailed information set forth in this pricing supplement, and the accompanying prospectus, prospectus supplement, and product prospectus supplement. See Additional Terms of the Securities in this pricing supplement.

Issuer:	The Bank of Nova Scotia (the Bank)
CUSIP/ISIN:	064159JB3 / US064159JB37
Type of Securities:	Market Linked Securities Leveraged Upside Participation to a Cap and Fixed Percentage Buffered Downside, Principal at Risk Securities, Series A
Reference Asset:	The EURO STOXX 50® Index (Bloomberg Ticker: SX5E)
Minimum Investment and Denominations:	\$1,000 and integral multiples of \$1,000 in excess thereof
Principal Amount:	\$1,000 per Security
Original Offering Price:	100% of the Principal Amount of each Security
Currency:	U.S. Dollars. The performance of the Securities will be based solely upon the Percentage Change of the Index. Accordingly, the Redemption Amount at Maturity payable in respect of the Securities will be unaffected by changes in the exchange rate of the U.S. Dollar relative to any other currency.
Pricing Date:	November 30, 2016
Trade Date:	November 30, 2016
Original Issue Date:	December 5, 2016
Maturity Date:	December 6, 2021. If the scheduled Calculation Day is not a trading day or if a market disruption event occurs or is continuing on the day that would otherwise be the Calculation Day so that the Calculation Day as postponed falls less than two Business Days prior to the scheduled Maturity Date, the Maturity Date will be postponed to the second Business Day following the Calculation Day as postponed.
Principal at Risk:	You may lose a substantial portion of your initial investment at maturity if there is a percentage decrease from the Starting Level to the Ending Level of more than 20.00%.
Fees and Expenses:	Scotia Capital (USA) Inc. or one of our affiliates will purchase the aggregate Principal Amount of the Securities and as part of the distribution, will sell the Securities to WFS at a discount of \$45.00 (4.50%) per \$1,000 Principal Amount of the Securities. WFS will provide selected dealers, which may include Wells Fargo Advisors (WFA), with a selling concession of \$25.00 (2.50%) per \$1,000 Principal Amount of the Securities, and WFA will receive a distribution expense fee of \$1.20 (0.12%) per \$1,000 Principal Amount of the Securities for Securities sold by WFA. Wells Fargo Advisors is a trade name used by Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC, members SIPC, separate registered broker-dealers and non-bank affiliates of Wells Fargo & Company.

The price at which you purchase the Securities includes costs that the Bank, the Underwriters or their respective affiliates expect to incur and profits that the Bank, the

Underwriters or their respective affiliates expect to realize in connection with hedging activities related to the Securities, as set forth above. These costs and profits will likely reduce the secondary market price, if any secondary market develops, for the Securities. As a result, you may experience an immediate and substantial decline in the market value of your Securities on the Pricing Date. See *Additional Risks The Inclusion of Dealer Spread and Projected Profit from Hedging in the Original Offering Price is Likely to Adversely Affect Secondary Market Prices* in this pricing supplement.

Redemption Amount at Maturity: The Redemption Amount at Maturity will be based on the performance of the Reference Asset and will be calculated as follows:

If the Ending Level is greater than the Starting Level, then the Redemption Amount at Maturity will equal:

the lesser of (a) the Principal Amount + (Principal Amount x Participation Rate x Percentage Change) and (b) the Capped Value

If the Ending Level is greater than or equal to the Threshold Level, but less than or equal to the Starting Level, then the Redemption Amount at Maturity will equal the Principal Amount
If the Ending Level is less than the Threshold Level, then the Redemption Amount at Maturity will equal:

Principal Amount + [Principal Amount x (Percentage Change + Threshold Percentage)]

In this case you will have a 1-to-1 downside exposure to the portion of such decrease in the Reference Asset that exceeds 20%. Accordingly, you could lose up to 80% of your initial investment.

Starting Level: 3,051.61

Ending Level: The Ending Level of the Reference Asset will be determined based upon the closing level of the Reference Asset published on the Bloomberg Professional® (**Bloomberg**) page **SX5E<Index>** or any successor page on Bloomberg or any successor service, as applicable, on the Calculation Day. In certain special circumstances, the Ending Level will be determined by the Calculation Agent, in its discretion, and such determination will, under certain circumstances, be confirmed by an independent calculation expert. See *General Terms of the Securities Unavailability of the Level of the Reference Asset on a Valuation Date* beginning on page PS-18, *General Terms of the Securities Market Disruption Events* beginning on page PS-19, and *Appointment of Independent Calculation Experts* on page PS-22, in the accompanying product prospectus supplement.

Percentage Change: The Percentage Change, expressed as a percentage, with respect to the Redemption Amount at Maturity, is calculated as follows:

$$\frac{\text{Ending Level} - \text{Starting Level}}{\text{Starting Level}}$$

Starting Level

For the avoidance of doubt, the Percentage Change may be a negative value.

Threshold Level:	2,441.288 (equal to the Starting Level multiplied by the difference of 100% minus the Threshold Percentage).
Threshold Percentage:	20.00%
Capped Value:	\$1,980.00 per \$1,000 Principal Amount of the Securities, which equals the Principal Amount per Security x 198%. The Capped Value sets a cap on participation in any appreciation of the Reference Asset of 98%, taking into account the effect of the Participation Rate.
Participation Rate:	200%
Calculation Day:	November 29, 2021 or, if such day is not a trading day, the next succeeding trading day.

The Calculation Day could also be delayed by the occurrence of a market disruption event. If a market disruption event occurs or is continuing on the day that would otherwise be the Calculation Day, the Ending Level will equal the closing level of the Reference Asset on the first trading day following the day that would otherwise be the Calculation Day on which the Calculation Agent determines that a market disruption event has not occurred and is not continuing. If a market disruption event occurs or is continuing on each trading day to and including the seventh trading day following the originally scheduled Calculation Day, the Ending Level will be determined (or, if not determinable, estimated by the Calculation Agent in a manner which is considered commercially reasonable under the circumstances) by the Calculation Agent on that seventh trading day, regardless of the occurrence or continuance of the market disruption event on that day. In such an event, the Calculation Agent will make a good faith estimate in its sole discretion of the Ending Level that would have prevailed in the absence of the market disruption event.

Trading Day:	A trading day with respect to the Reference Asset means a day, as determined by the Calculation Agent, on which (i) the Sponsor is scheduled to publish the level of the Reference Asset and (ii) each Related Exchange is scheduled to be open for trading for its regular trading session.
Market Disruption Event:	For purposes of the Securities, the definition of market disruption event set forth in the product prospectus supplement is superseded. For purposes of the Securities, a market disruption event means any of the following events as determined by the Calculation Agent in its sole discretion:

(A) The occurrence or existence of a material suspension of or limitation imposed on trading by the relevant exchanges or otherwise relating to securities which (together with any securities affected by an event described in (C) or (E) below) then comprise 20 percent or more of the level of the Reference Asset at any time for each affected security during the one-hour period that ends at the Scheduled Closing Time for the relevant exchange for such security on that day, whether by reason of movements in price exceeding limits permitted by those relevant exchanges or otherwise.

(B) The occurrence or existence of a material suspension of or limitation imposed on trading by any related exchange or otherwise in futures or options contracts relating to the Reference Asset on any related exchange at any time during the one-hour period that ends at the Scheduled Closing Time for the related exchange on that day, whether by reason of

movements in price exceeding

P-4

limits permitted by the related exchange or otherwise.

(C) The occurrence or existence of any event, other than an early closure, that materially disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values on the relevant exchanges for, securities that (together with any securities affected by an event described in (A) above or (E) below) then comprise 20 percent or more of the level of the Reference Asset at any time for each affected security during the one-hour period that ends at the Scheduled Closing Time for the relevant exchange for such security on that day.

(D) The occurrence or existence of any event, other than an early closure, that materially disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for, futures or options contracts relating to the Reference Asset on any related exchange at any time during the one-hour period that ends at the Scheduled Closing Time on such related exchange on that day.

(E) The closure on any Exchange Business Day of the relevant exchanges on which securities that (together with any securities affected by an event described in (A) or (C) above) then comprise 20 percent or more of the level of the Reference Asset are traded or any related exchange prior to its Scheduled Closing Time unless the earlier closing time is announced by the relevant exchange or related exchange, as applicable, at least one hour prior to the earlier of (1) the actual closing time for the regular trading session on such relevant exchange or related exchange, as applicable, and (2) the submission deadline for orders to be entered into the relevant exchange or related exchange, as applicable, system for execution at the Scheduled Closing Time for such relevant exchange or related exchange, as applicable, on that day.

(F) The Sponsor fails to publish the level of the Reference Asset or any successor index (other than as a result of the Sponsor having discontinued publication of such Reference Asset or successor index and no successor index being available).

(G) Any related exchange fails to open for trading during its regular trading session.

For purposes of determining whether a market disruption event has occurred:

- 1) the relevant percentage contribution of a security to the level of the Reference Asset will be based on a comparison of (x) the portion of the level of the Reference Asset attributable to that security and (y) the overall level of the Reference Asset, in each case using the official opening weightings as published by the Sponsor as part of the market opening data;
- 2) the Scheduled Closing Time of (i) any relevant exchange on any trading day means the scheduled weekday closing time of such relevant exchange on such trading day, without regard to after hours or any other trading outside the regular trading session hours and (ii) of any related exchange on any trading day means the close of trading on such related exchange on such trading day; and
- 3) an Exchange Business Day means any trading day on which (i) the Sponsor publishes the level of the Reference Asset and (ii) each related exchange is open for trading during its regular trading session, notwithstanding any related

Relevant Exchange:	exchange closing prior to its Scheduled Closing Time. The relevant exchange for any security then underlying the Reference Asset means the primary exchange or quotation system on which such security is traded, as determined by the Calculation Agent.
Related Exchange:	The related exchange means an exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to the Reference Asset.
Form of Securities:	Book-entry
Calculation Agent:	Scotia Capital Inc., an affiliate of the Bank
Underwriters:	Scotia Capital (USA) Inc. and Wells Fargo Securities, LLC.
Status:	The Securities will constitute direct, unsubordinated and unsecured obligations of the Bank ranking <i>pari passu</i> with all other direct, unsecured and unsubordinated indebtedness of the Bank from time to time outstanding (except as otherwise prescribed by law). Holders will not have the benefit of any insurance under the provisions of the <i>Canada Deposit Insurance Corporation Act</i> , the U.S. <i>Federal Deposit Insurance Act</i> or under any other deposit insurance regime.
Tax Redemption:	The Bank (or its successor) may redeem the Securities, in whole but not in part, at a redemption price determined by the Calculation Agent in a manner reasonably calculated to preserve your and our relative economic position, if it is determined that changes in tax laws or their interpretation will result in the Bank (or its successor) becoming obligated to pay additional amounts with respect to the Securities. See Tax Redemption below.
Listing:	The Securities will not be listed on any securities exchange or quotation system.
Use of Proceeds:	General corporate purposes
Clearance and Settlement:	The Depository Trust Company
Business Day:	New York and Toronto

INVESTING IN THE SECURITIES INVOLVES SIGNIFICANT RISKS. YOU MAY LOSE UP TO 80% OF YOUR PRINCIPAL AMOUNT. THE DOWNSIDE MARKET EXPOSURE TO THE REFERENCE ASSET IS BUFFERED ONLY AT MATURITY. ANY PAYMENT ON THE SECURITIES, INCLUDING ANY REPAYMENT OF PRINCIPAL, IS SUBJECT TO THE CREDITWORTHINESS OF THE BANK. IF THE BANK WERE TO DEFAULT ON ITS PAYMENT OBLIGATIONS YOU MAY NOT RECEIVE ANY AMOUNTS OWED TO YOU UNDER THE SECURITIES AND YOU COULD LOSE MOST OF YOUR INVESTMENT.

ADDITIONAL TERMS OF THE SECURITIES

You should read this pricing supplement together with the prospectus dated December 1, 2014, as supplemented by the prospectus supplement dated December 1, 2014 and the product prospectus supplement (Equity Linked Index Notes, Series A) dated July 9, 2015, relating to our Senior Note Program, Series A, of which these Securities are a part. Certain terms used but not defined in this pricing supplement will have the meanings given to them in the product prospectus supplement. In the event of any conflict, this pricing supplement will control. ***The Securities may vary from the terms described in the accompanying prospectus, prospectus supplement, and product prospectus supplement in several important ways. You should read this pricing supplement, including the documents incorporated herein, carefully.***

This pricing supplement, together with the documents listed below, contains the terms of the Securities and supersedes all prior or contemporaneous oral statements as well as any other written materials including preliminary or indicative pricing terms, correspondence, trade ideas, structures for implementation, sample structures, brochures or other educational materials of ours. You should carefully consider, among other things, the matters set forth in Additional Risk Factors Specific to the Notes in the accompanying product prospectus supplement, as the Securities involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting and other advisors before you invest in the Securities. You may access these documents on the SEC website at www.sec.gov as follows (or if that address has changed, by reviewing our filings for the relevant date on the SEC website at <http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=000009631>):

Prospectus dated December 1, 2014:

http://www.sec.gov/Archives/edgar/data/9631/000089109214008992/e61582_424b3.htm

Prospectus Supplement dated December 1, 2014:

<http://www.sec.gov/Archives/edgar/data/9631/000089109214008993/e61583-424b3.htm>

Product Prospectus Supplement (Equity Linked Index Notes, Series A), dated July 9, 2015:

<https://www.sec.gov/Archives/edgar/data/9631/000089109215006204/e65075-424b5.htm>

The Bank of Nova Scotia has filed a registration statement (including a prospectus, a prospectus supplement, and a product prospectus supplement) with the SEC for the offering to which this pricing supplement relates. Before you

invest, you should read those documents and the other documents relating to this offering that we have filed with the SEC for more complete information about us and this offering. You may obtain these documents without cost by visiting EDGAR on the SEC Website at www.sec.gov. Alternatively, The Bank of Nova Scotia, any agent or any dealer participating in this offering will arrange to send you the prospectus, the prospectus supplement and the product prospectus supplement if you so request by calling 1-416-866-3672.

INVESTOR SUITABILITY

The Securities may be suitable for you if:

- You fully understand the risks inherent in an investment in the Securities, including the risk of losing most of your initial investment.
- You can tolerate a loss of up to 80% of your initial investment.
- You believe that the Reference Asset will appreciate over the term of the Securities and that the appreciation is unlikely to exceed the cap on appreciation provided by the Capped Value.
- You understand and accept that your potential return is limited to the Capped Value and you would be willing to invest in the Securities based on the Capped Value.
- You can tolerate fluctuations in the price of the Securities prior to maturity that may be similar to or exceed the downside fluctuations in the level of the Reference Asset.
- You do not seek current income from your investment.

- You are willing to hold the Securities to maturity, a term of approximately 60 months, and accept that there may be little or no secondary market for the Securities.
- You are willing to accept the risk of exposure to the eurozone equity market.
- You are willing to assume the credit risk of the Bank for all payments under the Securities, and understand that if the Bank defaults on its obligations you may not receive any amounts due to you, including any repayment of principal.

The Securities may not be suitable for you if:

- You do not fully understand the risks inherent in an investment in the Securities, including the risk of losing most of your initial investment.
- You require an investment designed to guarantee a full return of principal at maturity.
- You cannot tolerate a loss of up to 80% of your initial investment.
- You believe that the level of the Reference Asset will decline during the term of the Securities and the Ending Level will likely decline below the Starting Level by a percentage that is greater than the Threshold Percentage, or you believe the Reference Asset will appreciate over the term of the Securities and that the appreciation, after giving effect to the Participation Rate, is likely to equal or exceed the Capped Value.

- You seek an investment that has unlimited return potential without a cap on appreciation and you would be unwilling to invest in the Securities with the Capped Value.
- You cannot tolerate fluctuations in the price of the Securities prior to maturity that may be similar to or exceed the downside fluctuations in the level of the Reference Asset.
- You seek current income from your investment or prefer to receive dividends paid on the stocks included in the Reference Asset.
- You are unwilling to hold the Securities to maturity, a term of approximately 60 months, or you seek an investment for which there will be a secondary market.
- You are not willing to assume the credit risk of the Bank for all payments under the Securities.
- You are not willing to purchase securities with an estimated value that is lower than the Original Offering Price.
- You are not willing to accept the risk of exposure to the eurozone equity market.
- You prefer the lower risk of fixed income investments with comparable maturities issued by companies with comparable credit ratings.

The investor suitability considerations identified above are not exhaustive. Whether or not the Securities are a suitable investment for you will depend on your individual circumstances and you should reach an investment decision only after you and your investment, legal, tax, accounting and other advisors have carefully considered the suitability of an investment in the Securities in light of your particular circumstances. You should also review Additional Risks beginning on page P-13 of this pricing supplement and the Additional Risk Factors Specific to the Notes beginning on page PS-5 of the Product Prospectus Supplement for Equity Linked Index Notes, Series A for risks related to an investment in the Securities.

HYPOTHETICAL PAYMENTS AT MATURITY ON THE SECURITIES

The examples set out below are included for illustration purposes only. The hypothetical Percentage Changes of the Reference Asset used to illustrate the calculation of the Redemption Amount at Maturity (rounded to two decimal places) are not estimates or forecasts of the Starting Level, the Ending Level or the level of the Reference Asset on the Calculation Day or on any trading day prior to the Maturity Date. All examples are based on an aggregate Principal Amount of \$1,000.00, a Threshold Percentage of 20.00% (the Threshold Level is 80.00% of the Starting Level), a Capped Value of \$1,980.00 per \$1,000.00 Principal Amount of the Securities (198.00% of the Principal Amount), and that no market disruption event occurs on the Calculation Day. Amounts below may have been rounded for ease of analysis.

Example 1 Calculation of the Redemption Amount at Maturity where the Percentage Change is positive.

Percentage Change: 5.00%

Redemption Amount at Maturity: $\$1,000.00 + (\$1,000.00 \times 200.00\% \times 5.00\%) = \$1,000.00 + \$100.00 = \$1,100.00$

On a \$1,000.00 investment, a 5.00% Percentage Change results in a Redemption Amount at Maturity of \$1,100.00.

Example 2 Calculation of the Redemption Amount at Maturity where the Percentage Change is positive (and the Redemption Amount at Maturity is limited by the Capped Value).

Percentage Change: 50.00%

Redemption Amount at Maturity: $\$1,000.00 + (\$1,000.00 \times 200.00\% \times 50.00\%) = \$1,000.00 + \$1,000.00 = \$2,000.00$

however, since the Capped Value is \$1,980.00, the Redemption Amount at Maturity would be \$1,980.00

On a \$1,000.00 investment, a 50.00% Percentage Change results in a Redemption Amount at Maturity of \$1,980.00.

In addition to limiting your return on the Securities, the Capped Value limits the positive effect of the Participation Rate. If the Ending Level is greater than the Starting Level, you will participate in the performance of the Reference Asset at a rate of 200.00% up to the Capped Value.

Example 3 Calculation of the Redemption Amount at Maturity where the Percentage Change is negative (but not by more than the Threshold Percentage).

Edgar Filing: BANK OF NOVA SCOTIA - Form 424B2

Percentage Change: -4.00%

Redemption Amount at Maturity: \$1,000.00 (at maturity, if the Percentage Change is negative BUT the decrease is not more than the Threshold Percentage, then the Redemption Amount at Maturity will equal the Principal Amount)

On a \$1,000.00 investment, a -4.00% Percentage Change results in a Redemption Amount at Maturity of \$1,000.00.

P-9

Example 4 Calculation of the Redemption Amount at Maturity where the Percentage Change is negative (and the decrease is more than the Threshold Percentage).

Percentage Change: -50.00%

Redemption Amount at Maturity: $\$1,000.00 + [\$1,000.00 \times (-50.00\% + 20.00\%)] = \$1,000.00 - \$300.00 = \700.00

On a \$1,000.00 investment, a -50.00% Percentage Change results in a Redemption Amount at Maturity of \$700.00.

Accordingly, if the Percentage Change is negative by more than -20.00%, meaning the percentage decline from the Starting Level to the Ending Level is greater than 20.00%, the Bank will pay you less than the full Principal Amount, resulting in a loss on your investment that is equal to the Percentage Change in excess of the Threshold Percentage. You may lose up to 80.00% of your principal.

Any payment on the Securities, including any repayment of principal, is subject to the creditworthiness of the Bank. If the Bank were to default on its payment obligations, you may not receive any amounts owed to you under the Securities and you could lose your entire investment.

The following graph represents hypothetical returns only and is not indicative of actual results. The graph demonstrates the hypothetical return on the Securities at maturity for the set of Percentage Changes of the Reference Asset from -100.00% to 100.00% using the same assumptions as set forth above. Your investment may result in a loss of up to 80.00% of your principal at maturity.

Hypothetical Returns on the Securities

Hypothetical Ending Level	Hypothetical Percentage Change from the Starting Level to the hypothetical Ending Level	Hypothetical Redemption Amount at Maturity per Security	Hypothetical pre-tax total rate of return	Hypothetical pre-tax annualized rate of return(1)
6,103.22	100.00%	\$1,980.00	98.00%	14.12%
4,577.42	50.00%	\$1,980.00	98.00%	14.12%
4,272.25	40.00%	\$1,800.00	80.00%	12.09%
3,967.09	30.00%	\$1,600.00	60.00%	9.61%
3,661.93	20.00%	\$1,400.00	40.00%	6.84%
3,356.77	10.00%	\$1,200.00	20.00%	3.68%
3,204.19	5.00%	\$1,100.00	10.00%	1.91%
3,051.61(2)	0.00%	\$1,000.00	0.00%	0.00%
2,899.03	-5.00%	\$1,000.00	0.00%	0.00%
2,746.45	-10.00%	\$1,000.00	0.00%	0.00%
2,593.87	-15.00%	\$1,000.00	0.00%	0.00%
2,441.29	-20.00%	\$1,000.00	0.00%	0.00%
2,410.77	-21.00%	\$990.00	-1.00%	-0.20%
2,288.71	-25.00%	\$950.00	-5.00%	-1.02%
1,525.81	-50.00%	\$700.00	-30.00%	-7.00%
762.90	-75.00%	\$450.00	-55.00%	-15.33%
0.00	-100.00%	\$200.00	-80.00%	-29.70%

Each Security has a Principal Amount of \$1,000.

(1) The annualized rates of return are calculated on a semi-annual bond equivalent basis with compounding.

(2) The Starting Level (the closing level of the Index on November 30, 2016.)

Edgar Filing: BANK OF NOVA SCOTIA - Form 424B2

The above figures are for purposes of illustration only and may have been rounded for ease of analysis. The actual amount you receive at stated maturity and the resulting pre-tax rates of return will depend on the actual Ending Level.

P-12

ADDITIONAL RISKS

An investment in the Securities involves significant risks. In addition to the following risks included in this pricing supplement, we urge you to read "Additional Risk Factors Specific to the Notes" beginning on page PS-5 of the accompanying product prospectus supplement and "Risk Factors" beginning on page S-2 of the accompanying prospectus supplement and page 6 of the accompanying prospectus.

You should understand the risks of investing in the Securities and should reach an investment decision only after careful consideration, with your advisors, of the suitability of the Securities in light of your particular financial circumstances and the information set forth in this pricing supplement and the accompanying prospectus, prospectus supplement and product prospectus supplement.

The Inclusion of Dealer Spread and Projected Profit from Hedging in the Original Offering Price is Likely to Adversely Affect Secondary Market Prices

Assuming no change in market conditions or any other relevant factors, the price, if any, at which Scotia Capital (USA) Inc. or any other party is willing to purchase the Securities at any time in secondary market transactions will likely be significantly lower than the Original Offering Price, since secondary market prices are likely to exclude discounts and underwriting commissions paid with respect to the Securities and the cost of hedging our obligations under the Securities that are included in the Original Offering Price. The cost of hedging includes the projected profit that we and/or our subsidiaries may realize in consideration for assuming the risks inherent in managing the hedging transactions. These secondary market prices are also likely to be reduced by the costs of unwinding the related hedging transactions. In addition, any secondary market prices may differ from values determined by pricing models used by Scotia Capital (USA) Inc. as a result of dealer discounts, mark-ups or other transaction costs.

Risk of Loss at Maturity

Any payment on the Securities at maturity depends on the Percentage Change of the Reference Asset. The Bank will only repay you the full Principal Amount of your Securities if the Percentage Change does not reflect a decrease in the Reference Asset of more than 20.00%. If the Percentage Change is negative by more than 20.00%, meaning the percentage decline from the Starting Level to the Ending Level is greater than the 20.00% Threshold Percentage, you will lose a significant portion of your initial investment in an amount equal to the negative Percentage Change in excess of the Threshold Percentage. **Accordingly, you may lose up to 80% of your investment in the Securities if the percentage decline from the Starting Level to the Ending Level is greater than 20.00%.**

The Downside Market Exposure to the Reference Asset is Buffered Only at Maturity

You should be willing to hold your Securities to maturity. If you are able to sell your Securities prior to maturity in the secondary market, you may have to sell them at a loss relative to your initial investment even if the level of the Reference Asset at such time is not below the Starting Level by a percentage greater than the Threshold Percentage.

Your Potential Redemption Amount at Maturity Is Limited by the Capped Value

The Redemption Amount at Maturity will not exceed the Capped Value. Therefore, if the appreciation of the Reference Asset, after taking into account the effect of the Participation Rate, exceeds the cap on appreciation provided by the Capped Value, the Securities will provide less opportunity to participate in the appreciation of the Reference Asset than an investment in a security linked to the Reference Asset providing full participation in the appreciation. Accordingly, the return on the Securities may be less than the return would be if you made an investment in a security directly linked to the positive performance of the Reference Asset.

The Bank's Estimated Value of the Securities Is Lower than the Original Offering Price of the Securities

The Bank's estimated value is only an estimate using several factors. The Original Offering Price of the Securities exceeds the Bank's estimated value because costs associated with selling and structuring the Securities, as well as hedging the Securities, are included in the Original Offering Price of the Securities. These costs include the selling commissions and the estimated cost of using a third party hedge provider to hedge our obligations under the Securities. See "The Bank's Estimated Value of the Securities" in this pricing supplement.

The Bank's Estimated Value Does Not Represent Future Values of the Securities and may Differ from Others' Estimates

The Bank's estimated value of the Securities is determined by reference to the Bank's internal pricing models when the terms of the Securities were set. This estimated value is based on market conditions and other relevant factors existing at that time and the Bank's assumptions about market parameters, which can include volatility, dividend rates, interest rates and other factors as well as an estimate of the difference between the amounts we or our hedge provider pay and receive in a hedging transaction with our affiliate and/or an affiliate of WFS in connection with your Securities. Different pricing models and assumptions could provide valuations for Securities that are greater than or less than the Bank's estimated value. In addition, market conditions and other relevant factors in the future may change, and any assumptions may prove to be incorrect. On future dates, the value of the Securities could change significantly based on, among other things, changes in market conditions, our creditworthiness, interest rate movements and other relevant factors, which may impact the price, if any, at which the Bank would be willing to buy Securities from you in secondary market transactions. See "The Bank's Estimated Value of the Securities" in this pricing supplement.

The Bank's Estimated Value is not Determined by Reference to Credit Spreads for our Conventional Fixed-Rate Debt

The internal funding rate used in the determination of the Bank's estimated value generally represents a discount from the credit spreads for our conventional fixed-rate debt. If the Bank were to use the interest rate implied by our conventional fixed-rate credit spreads, we would expect the economic terms of the Securities to be more favorable to you. Consequently, our use of an internal funding rate would have an adverse effect on the terms of the Securities and any secondary market prices of the Securities. See "The Bank's Estimated Value of the Securities" in this pricing supplement.

The Securities Differ from Conventional Debt Instruments

Edgar Filing: BANK OF NOVA SCOTIA - Form 424B2

The Securities are not conventional notes or debt instruments. The Securities do not provide you with interest payments prior to maturity as a conventional fixed-rate or floating-rate debt security with the same maturity would. The return that you will receive on the Securities, which could be negative, may be less than the return you could earn on other investments. Even if your return is positive, your return may be less than the return you would earn if you bought a conventional senior interest bearing debt security of the Bank.

No Interest

The Securities will not bear interest and, accordingly, you will not receive any interest payments on the Securities.

Your Investment is Subject to the Credit Risk of The Bank of Nova Scotia

The Securities are senior unsecured debt obligations of the Bank, and are not, either directly or indirectly, an obligation of any third party. As further described in the accompanying prospectus, prospectus supplement and product prospectus supplement, the Securities will rank on a parity with all of the other unsecured and unsubordinated debt obligations of the Bank, except such obligations as may be preferred by operation of law. Any payment to be made on the Securities, including the Redemption Amount at Maturity, depends on the ability of the Bank to satisfy its obligations as they come due. As a result, the actual and perceived creditworthiness of the Bank may affect the market value of the Securities and, in the event the Bank were to default on its obligations, you may not receive the amounts owed to you under the terms of the Securities. If you sell the Securities prior to maturity, you may receive substantially less than the Principal Amount of your Securities.

The Securities are Subject to Market Risk

The return on the Securities is directly linked to the performance of the Reference Asset and indirectly linked to the value of the Reference Asset constituent stocks, and the extent to which the Percentage Change is positive or negative. The level of the Reference Asset can rise or fall sharply due to factors specific to the Reference Asset constituent stocks, as well as general market factors, such as general market volatility and levels, interest rates and economic and political conditions.

An Investment in the Securities Is Subject to Risks Associated with Non-U.S. Securities

The Reference Asset Constituent Stocks may be listed on a non-U.S. stock exchange. A non-U.S. stock exchange may impose trading limitations intended to prevent extreme fluctuations in individual security prices and may suspend trading in certain circumstances. These actions could limit variations in the closing level of the Reference Asset which could, in turn, adversely affect the value of the Securities.

Investments in securities linked to the value of foreign equity securities involve particular risks. The foreign securities markets whose stocks comprise the Reference Asset may have less liquidity and may be more volatile than U.S. or other securities markets and market developments may affect foreign markets differently from U.S. or other securities markets. Direct or indirect government intervention to stabilize the foreign securities markets, as well as cross-shareholdings in foreign companies, may affect trading prices and volumes in those markets. Also, there is generally less publicly available information about foreign companies than about those U.S. companies that are subject to the reporting requirements of the U.S. Securities and Exchange Commission, and foreign companies are subject to accounting, auditing and financial reporting standards and requirements that differ from those applicable to U.S. reporting companies.

Securities prices in foreign countries are subject to political, economic, financial and social factors that apply in those geographical regions. These factors, which could negatively affect those securities markets, include the possibility of recent or future changes in a foreign government's economic and fiscal policies, the possible imposition of, or changes in, currency exchange laws or other laws or restrictions applicable to foreign companies or investments in foreign equity securities and the possibility of fluctuations in the rate of exchange between currencies, the possibility of outbreaks of hostility and political instability and the possibility of natural disaster or adverse public health development in the region. Moreover, foreign economies may differ favorably or unfavorably from the U.S. economy in important respects such as growth of gross national product, rate of inflation, capital reinvestment, resources and self-sufficiency.

The U.K.'s referendum to leave the European Union may adversely affect the performance of the Reference Asset

The Reference Asset Constituent Stock Issuers are eurozone member companies. The U.K.'s referendum on June 23, 2016 to leave the European Union, which we refer to as Brexit, has and may continue to cause disruptions to capital and currency markets worldwide and to the market tracked by the Reference Asset in particular. The full impact of the Brexit decision, however, remains uncertain. A process of negotiation, which is likely to take a number of years, will determine the future terms of the U.K.'s relationship with the European Union. The performance of the Reference Asset may be negatively affected by interest rate, exchange rate and other market and economic volatility, as well as regulatory and political uncertainty.

The Participation Rate Applies Only at Maturity

You should be willing to hold your Securities to maturity. If you are able to sell your Securities prior to maturity in the secondary market, the price you receive will likely not reflect the full economic value of the Participation Rate or the Securities themselves, and the return you realize may be less than the Percentage Change even if such return is positive. You will receive the full benefit of the Participation Rate, if any, only if you hold your Securities to maturity.

The Redemption Amount at Maturity Is Not Linked to the Level of the Reference Asset at Any Time Other Than the Calculation Day

The Redemption Amount at Maturity will be based on the Ending Level (subject to adjustments as described herein). Therefore, for example, if the closing level of the Reference Asset declined substantially as of the Calculation Day compared to the Pricing Date, the Redemption Amount at Maturity may be significantly less than it would otherwise have been had the Redemption Amount at Maturity been linked to the closing level of the Reference Asset prior to the Calculation

Day. Although the actual level of the Reference Asset at maturity or at other times during the term of the Securities may be higher than the Ending Level, you will not benefit from the closing level of the Reference Asset at any time other than the Calculation Day.

If the Levels of the Reference Asset or the Reference Asset Constituent Stocks Change, the Market Value of Your Securities May Not Change in the Same Manner

Your Securities may trade quite differently from the performance of the Reference Asset or the Reference Asset constituent stocks. Changes in the levels of the Reference Asset or the Reference Asset constituent stocks may not result in a comparable change in the market value of your Securities. We discuss some of the reasons for this disparity under [The Price at Which the Securities may be Sold prior to Maturity will Depend on a Number of Factors and May Be Substantially Less Than the Amount for Which They Were Originally Purchased](#) below.

Holding the Securities is Not the Same as Holding the Reference Asset Constituent Stocks

Holding the Securities is not the same as holding the Reference Asset constituent stocks. As a holder of the Securities, you will not be entitled to the voting rights or rights to receive dividends or other distributions or other rights that holders of the Reference Asset constituent stocks would enjoy.

No Assurance that the Investment View Implicit in the Securities Will Be Successful

It is impossible to predict with certainty whether and the extent to which the level of the Reference Asset will rise or fall. There can be no assurance that the level of the Reference Asset will rise above the Starting Level or that the percentage decline from the Starting Level to the Ending Level will not be greater than the Threshold Percentage. The Ending Level may be influenced by complex and interrelated political, economic, financial and other factors that affect the Reference Asset constituent stocks. You should be willing to accept the risks of the price performance of equity securities in general and the Reference Asset constituent stocks in particular, and the risk of losing some or most of your initial investment.

Furthermore, we cannot give you any assurance that the future performance of the Reference Asset or the Reference Asset constituent stocks will result in your receiving an amount greater than or equal to the Principal Amount of your Securities. Certain periods of historical performance of the Reference Asset or the Reference Asset constituent stocks would have resulted in you receiving less than the Principal Amount of your Securities if you had owned notes with terms similar to these Securities in the past.

Edgar Filing: BANK OF NOVA SCOTIA - Form 424B2

See Information Regarding The Reference Asset in this pricing supplement for further information regarding the historical performance of the Reference Asset.

The Reference Asset Reflects Price Return Only and Not Total Return

The return on your Securities is based on the performance of the Reference Asset, which reflects the changes in the market prices of the Reference Asset constituent stocks. It is not, however, linked to a total return index or strategy, which, in addition to reflecting those price returns, would also reflect dividends paid on the Reference Asset constituent stocks. The return on your Securities will not include such a total return feature or dividend component.

Past Performance is Not Indicative of Future Performance

The actual performance of the Reference Asset over the life of the Securities, as well as the amount payable at maturity, may bear little relation to the historical performance of the Reference Asset or to the hypothetical return examples set forth elsewhere in this pricing supplement. We cannot predict the future performance of the Reference Asset.

We May Sell an Additional Aggregate Principal Amount of the Securities at a Different Issue Price

We may decide to sell an additional aggregate Principal Amount of the Securities subsequent to the date of this pricing supplement. The issue price of the Securities in the subsequent sale may differ substantially (higher or lower) from the Original Offering Price you paid as provided on the cover of this pricing supplement.

Changes Affecting the Reference Asset Could Have an Adverse Effect on the Value of the Securities

The policies of STOXX Limited, the index sponsor (the Sponsor) concerning additions, deletions and substitutions of the Reference Asset constituent stocks and the manner in which the Sponsor takes account of certain changes affecting those Reference Asset constituent stocks may adversely affect the level of the Reference Asset. The policies of the Sponsor with respect to the calculation of the Reference Asset could also adversely affect the level of the Reference Asset. The Sponsor may discontinue or suspend calculation or dissemination of the Reference Asset. Any such actions could have a material adverse effect on the value of the Securities.

The Bank Cannot Control Actions by the Sponsor and the Sponsor Has No Obligation to Consider Your Interests

The Bank and its affiliates are not affiliated with the Sponsor and have no ability to control or predict its actions, including any errors in or discontinuation of public disclosure regarding methods or policies relating to the calculation of the Reference Asset. The Sponsor is not involved in the Securities offering in any way and has no obligation to consider your interest as an owner of the Securities in taking any actions that might negatively affect the market value of your Securities.

The Eurozone Financial Crisis Could Negatively Impact Investors in the Securities

A number of countries in the eurozone are undergoing a financial crisis affecting their economies, their ability to meet their sovereign financial obligations, and their financial institutions. Countries in the eurozone that are not currently experiencing a financial crisis may do so in the future as a result of developments in other eurozone countries. The economic, political, legal and regulatory ramifications of this financial crisis, including any legal or regulatory changes made in response to the crisis, are impossible to predict. During the crisis, the USD/EUR exchange rate may be significantly more volatile than it has been in the past (as may the exchange rate between the euro and other currencies). In response to this crisis, governments and regulatory bodies have taken, and may in the future take, extraordinary measures to intervene in the currency markets for the euro and the economies and financial institutions of the eurozone. Increased volatility caused by the crisis and any economic, political, legal or regulatory changes made to address, or otherwise resulting from, the crisis and any intervention in the currency markets or eurozone economies could have an adverse effect on the USD/EUR exchange rate or the exchange rate between the euro and other currencies. There is also a possibility that one or more eurozone countries may cease to use the euro, which could also adversely affect the exchange rate between the euro and other currencies and potentially the convertibility of the euro in such countries. There is also the possibility that the euro may cease to exist or the USD/EUR exchange rate may otherwise become unavailable. If these events were to happen, the closing level of the Reference Asset, and the value of the Securities, could be adversely affected.

The Price at Which the Securities May Be Sold Prior to Maturity will Depend on a Number of Factors and May Be Substantially Less Than the Amount for Which They Were Originally Purchased

The price at which the Securities may be sold prior to maturity will depend on a number of factors. Some of these factors include, but are not limited to: (i) actual or anticipated changes in the level of the Reference Asset over the full term of the Security, (ii) volatility of the level of the Reference Asset and the market's perception of future volatility of the level of the Reference Asset, (iii) changes in interest rates generally, (iv) any actual or anticipated changes in our credit ratings or credit spreads, (v) dividend yields on the securities included in the Reference Asset, and (vi) time remaining to maturity. In particular, because the provisions of the Security relating to the Redemption Amount at Maturity and the Capped Value behave like options, the value of the Security will vary in ways which are non-linear and may not be intuitive.

Depending on the actual or anticipated level of the Reference Asset and other relevant factors, the market value of the Securities may decrease and you may receive substantially less than 100% of the Original Offering Price if you sell your Securities prior to maturity. We anticipate that the value of the Securities will always be at a discount to the Capped Value.

The Securities Lack Liquidity

The Securities will not be listed on any securities exchange or automated quotation system. Therefore, there may be little or no secondary market for the Securities. Scotia Capital (USA) Inc. may, but is not obligated to, make a market in the Securities. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the Securities easily. Because we do not expect that other broker-dealers will participate significantly in the secondary market for the

Securities, the price at which you may be able to trade your Securities is likely to depend on the price, if any, at which Scotia Capital (USA) Inc. is willing to purchase the Securities from you. If at any time Scotia Capital (USA) Inc. was not to make a market in the Securities, it is likely that there would be no secondary market for the Securities. Accordingly, you should be willing to hold your Securities to maturity.

Hedging Activities by the Bank and/or the Underwriters May Negatively Impact Investors in the Securities and Cause Our Respective Interests and Those of Our Clients and Counterparties to Be Contrary to Those of Investors in the Securities

The Bank or one or more of our respective affiliates and/or the Underwriters has hedged or expects to hedge the obligations under the Securities by purchasing futures and/or other instruments linked to the Reference Asset. The Bank or one or more of our respective affiliates and/or the Underwriters also expects to adjust the hedge by, among other things, purchasing or selling any of the foregoing, and perhaps other instruments linked to the Reference Asset or one or more of the Reference Asset constituent stocks, at any time and from time to time, and to unwind the hedge by selling any of the foregoing on or before the Calculation Day.

The Bank or one or more of our respective affiliates and/or the Underwriters may also enter into, adjust and unwind hedging transactions relating to other basket- or index-linked Securities whose returns are linked to changes in the level or price of the Reference Asset or the Reference Asset constituent stocks. Any of these hedging activities may adversely affect the level of the Reference Asset directly or indirectly by affecting the price of the Reference Asset constituent stocks and therefore the market value of the Securities and the amount you will receive, if any, on the Securities. In addition, you should expect that these transactions will cause the Bank, our respective affiliates and/or the Underwriters, or our respective clients or counterparties, to have economic interests and incentives that do not align with, and that may be directly contrary to, those of an investor in the Securities. The Bank, our respective affiliates and/or the Underwriters will have no obligation to take, refrain from taking or cease taking any action with respect to these transactions based on the potential effect on an investor in the Securities, and may receive substantial returns with respect to these hedging activities while the value of the Securities may decline.

Market Activities by the Bank or the Underwriters for Their Own Respective Accounts or for Their Respective Clients Could Negatively Impact Investors in the Securities

The Bank, the Underwriters and their respective affiliates provide a wide range of financial services to a substantial and diversified client base. As such, each of the Bank, the Underwriters and their respective affiliates may act as an investor, investment banker, research provider, investment manager, investment advisor, market maker, trader, prime broker or lender. In those and other capacities, we and/or our affiliates and the Underwriters and/or their respective affiliates purchase, sell or hold a broad array of investments, actively trade securities (including the Securities or other securities that we have issued), the Reference Asset constituent stocks, derivatives, loans, credit default swaps, indices, baskets and other financial instruments and products for our own accounts or for the accounts of our customers, and we and the Underwriters will have other direct or indirect interests in those securities and in other markets that may be not be consistent with your interests and may adversely affect the level of the

Edgar Filing: BANK OF NOVA SCOTIA - Form 424B2

Reference Asset and/or the value of the Securities. Any of these financial market activities may, individually or in the aggregate, have an adverse effect on the level of the Reference Asset and the market for your Securities, and you should expect that our interests and those of our affiliates and those of the Underwriters and/or of their respective affiliates, or our or their clients or counterparties, will at times be adverse to those of investors in the Securities.

The Bank, the Underwriters and their respective affiliates regularly offer a wide array of securities, financial instruments and other products into the marketplace, including existing or new products that are similar to the Securities or other securities that we may issue, the Reference Asset constituent stocks or other securities or instruments similar to or linked to the foregoing. Investors in the Securities should expect that the Bank, the Underwriters and their respective affiliates will offer securities, financial instruments, and other products that may compete with the Securities for liquidity or otherwise.

In addition, our and their affiliates or any dealer participating in the offering of the Securities or its affiliates may, at present or in the future, publish research reports on the Reference Asset or the Reference Asset constituent stocks. This research is modified from time to time without notice and may, at present or in the future, express opinions or provide recommendations that are inconsistent with purchasing or holding the Securities. Any research reports on the Reference Asset or the

Reference Asset constituent stocks could adversely affect the level of the Reference Asset and, therefore, adversely affect the value of and your return on the Securities. You are encouraged to derive information concerning the Reference Asset from multiple sources and should not rely on the views expressed by us, the Underwriters or our or their affiliates or any participating dealer or its affiliates.

The Bank, the Underwriters and Their Respective Affiliates Regularly Provide Services to, or Otherwise Have Business Relationships with, a Broad Client Base, Which Has Included and May Include the Issuers of the Reference Asset Constituent Stocks

The Bank, the Underwriters and their respective affiliates regularly provide financial advisory, investment advisory and transactional services to a substantial and diversified client base. You should assume that the Bank or the Underwriters will, at present or in the future, provide such services or otherwise engage in transactions with, among others, the issuers of the Reference Asset constituent stocks, or transact in securities or instruments or with parties that are directly or indirectly related to these entities. These services could include making loans to or equity investments in those companies, providing financial advisory or other investment banking services, or issuing research reports. You should expect that the Bank, the Underwriters and their respective affiliates, in providing these services, engaging in such transactions, or acting for their own accounts, may take actions that have direct or indirect effects on the Securities or other securities that the Bank may issue, the Reference Asset constituent stocks or other securities or instruments similar to or linked to the foregoing, and that such actions could be adverse to the interests of investors in the Securities. In addition, in connection with these activities, certain personnel within the Bank or the Underwriters and their respective affiliates may have access to confidential material non-public information about these parties that would not be disclosed to investors in the Securities.

Other Investors in the Securities May Not Have the Same Interests as You

The interests of other investors may, in some circumstances, be adverse to your interests. Other investors may make requests or recommendations to us regarding the establishment of transactions on terms that are adverse to your interests, and investors in the Securities are not required to take into account the interests of any other investor in exercising remedies, voting or other rights in their capacity as noteholders. Further, other investors may enter into market transactions with respect to the Securities, assets that are the same or similar to the Securities, assets referenced by the Securities (such as stocks or stock indices) or other similar assets or securities which may adversely impact the market for or value of your Securities. For example, an investor could take a short position (directly or indirectly through derivative transactions) in respect of securities similar to your Securities or in respect of the Reference Asset.

The Calculation Agent Can Postpone the Calculation Day for the Securities if a Market Disruption Event with Respect to the Reference Asset Occurs

If the Calculation Agent determines, in its sole discretion, that, on a day that would otherwise be the Calculation Day, a market disruption event with respect to the Reference Asset has occurred or is continuing for the Reference Asset, the Calculation Day will be postponed until the first following trading day on which no market disruption event occurs or is continuing, although the Calculation Day will not be postponed by more than seven scheduled trading days. Moreover, if the Calculation Day is postponed to the last possible day, but a market disruption event occurs or is continuing on that day, that day will nevertheless be the Calculation Day, and the Calculation Agent will determine the applicable Ending Level that must be used to determine the Redemption Amount at Maturity. Under certain circumstances, the determinations of the Calculation Agent will be confirmed by an independent expert. See General Terms of the Notes Unavailability of the Level of the Reference Asset on a Valuation Date beginning on page PS-18 and General Terms of the Notes Market Disruption Events beginning on page PS-19 and Appointment of Independent Calculation Experts on page PS-22, in the accompanying product prospectus supplement.

There Is No Affiliation Between Any Constituent Stock Issuers or the Sponsor and Us and We Are Not Responsible for Any Disclosure by Any of the Other Reference Asset Constituent Stock Issuers or the Sponsor

The Bank, the Underwriters and their respective affiliates may currently, or from time to time in the future, engage in business with the issuers of the Reference Asset constituent stocks. Wells Fargo & Company, an affiliate of WFS, one of the Underwriters, is one of the companies currently included in the Reference Asset. Nevertheless, none of us, the Underwriters or our or their affiliates assumes any responsibility for the accuracy or the completeness of any information about the

Reference Asset or any of the other Reference Asset constituent stocks. Before investing in the Securities you should make your own investigation into the Reference Asset and the issuers of the Reference Asset constituent stocks. See the section below entitled **Information Regarding the Reference Asset** in this pricing supplement for additional information about the Reference Asset.

A Participating Dealer or its Affiliates May Realize Hedging Profits Projected by its Proprietary Pricing Models in Addition to any Selling Concession, Creating a Further Incentive for the Participating Dealer to Sell the Securities to You

If any dealer participating in the distribution of the Securities (referred to as a participating dealer) or any of its affiliates conducts hedging activities for us in connection with the Securities, that participating dealer or its affiliate will expect to realize a projected profit from such hedging activities. If a participating dealer receives a concession for the sale of the Securities to you, this projected profit will be in addition to the concession, creating a further incentive for the participating dealer to sell the Securities to you.

Uncertain Tax Treatment

Significant aspects of the tax treatment of the Securities are uncertain. You should consult your tax advisor about your own tax situation. See **Certain Canadian Income Tax Consequences** and **U.S. Federal Income Tax Consequences** in this pricing supplement.

INFORMATION REGARDING THE REFERENCE ASSET

EURO STOXX 50® Index

The following is a summary description of the EURO STOXX 50® Index (referred to in this section as the **Index**) based on information obtained from the website of the Sponsor, STOXX Limited at www.stoxx.com. All information regarding the Index contained herein, including its make-up, method of calculation and changes in its components, has been derived from publicly available sources and its accuracy cannot be guaranteed.

That information reflects the policies of, and is subject to change by, the index sponsor.

General Description

The EURO STOXX 50® Index is a capitalization-weighted index of 50 stocks from 12 Eurozone countries: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain. It captures approximately 60% of the free float market capitalization of the EURO STOXX® Total Market Index, which in turn covers approximately 95% of the free float market capitalization of the represented countries.

The Index is weighted by free float market capitalization, subject to a 10% cap. Share prices are taken from each of the Exchanges on which the component shares are traded and the Index is currently updated every fifteen seconds, from 9:00 a.m. to 6:00 p.m. (Central European time), in order to provide accurate information on a continuous real time basis. The level of the Index appears, inter alia, on Bloomberg Ticker SX5E. Additional information on the Index is available on the following website: <http://www.stoxx.com/index.html>.

Composition

The following table sets forth the top ten industry sectors that comprise the Index by weight September 30, 2016. The historical composition of the Index does not necessarily reflect the composition of the Index in the future.

<u>Sector</u>	<u>Weight (%)</u>
Banks	12.6%
Industrial Goods & Services	11.1%
Chemicals	8.9%

Personal & Household Goods	8.7%
Technology	7.2%
Oil & Gas	6.8%
Health Care	6.6%
Food & Beverage	6.4%
Insurance	6.3%
Telecommunications	5.7%

The following table sets forth the top ten companies that comprise the Index by weight as at September 30, 2016.

<u>Company</u>	<u>Weight (%)</u>
TOTAL SA	5.22%
Anheuser-Busch InBev SA/NV	4.42%
Siemens AG	4.13%
SAP SE	3.95%
Sanofi	3.92%
Bayer AG	3.66%
BASF SE	3.46%
Unilever NV	3.19%
Daimler AG	3.09%
Allianz SE	2.98%

License Agreement between the Index Sponsor and the Bank

STOXX Limited (the Sponsor) and its licensors (the Licensors) have no relationship to the Bank, other than the licensing of the Index and the related trademarks for use in connection with the Securities.

The Sponsor and the Licensors do not:

- sponsor, endorse, sell or promote the Securities;
- recommend that any person invest in the Securities or any other securities;

- have any responsibility or liability for or make any decisions about the timing, amount or pricing of the Securities;
- have any responsibility or liability for the administration, management or marketing of the Securities;
- consider the needs of the Securities or the owners of the Securities in determining, composing or calculating the Index or have any obligation to do so.

The Sponsor and the Licensors will not have any liability in connection with the Securities. Specifically,

- The Sponsor and the Licensors do not make any warranty, express or implied and disclaim any and all warranty about:
 - o the results to be obtained by the Securities, the owner of the Securities or any other person in connection with the use of the Index and the data included in the Index;
 - o the accuracy or completeness of the Index and its data;
 - o the merchantability and the fitness for a particular purpose or use of the Index and its data;
- The Sponsor and the Licensors will have no liability for any errors, omissions or interruptions in the Index or its data;
- under no circumstances will the Sponsor or the Licensors be liable for any lost profits or indirect, punitive, special or consequential damages or losses, even if the Sponsor or its Licensors knows that they might occur.

The licensing agreement between the Bank and the Sponsor is solely for their benefit and not for the benefit of the owners of the Securities or any other third parties.

Historical Information

The following table sets forth the quarterly high and low closing levels for the Reference Asset, based on daily closing levels. The closing level of the Reference Asset on November 30, 2016, was 3,051.61. ***Past performance of the Reference Asset is not indicative of the future performance of the Reference Asset.***

Quarter Begin	Quarter End	Quarterly High	Quarterly Low	Quarterly Close
1/3/2011	3/31/2011	3,068.00	2,721.24	2,910.91
4/1/2011	6/30/2011	3,011.25	2,715.88	2,848.53
7/1/2011	9/30/2011	2,875.67	1,995.01	2,179.66
10/3/2011	12/30/2011	2,476.92	2,090.25	2,316.55
1/3/2012	3/30/2012	2,608.42	2,286.45	2,477.28
4/2/2012	6/29/2012	2,501.18	2,068.66	2,264.72
7/2/2012				