

BANK OF NOVA SCOTIA
Form FWP
April 19, 2018

Subject to Completion
Preliminary Term Sheet dated April 19, 2018

Filed Pursuant to Rule 433
Registration Statement No. 333-215597
(To Prospectus dated February 1, 2017,
Prospectus Supplement dated February 13, 2017,
Prospectus Addendum dated January 9, 2018 and
Product Prospectus Supplement EQUITY INDICES
LIRN-1 dated February 23, 2017)

Pricing

Date*
April, 2018
Settlement
Date*
May, 2018
Date*
April, 2020
Maturity
Principal
Subject to
change based on
the actual date the
notes are priced for
the sale to the
public (the "pricing
date")

Capped Leveraged
Index Return
Notes[®] Linked to a
Global Equity Index
Basket
§ Maturity of
approximately two
years
§ 2-to-1 upside
exposure to
increases in the
Basket, subject to a
capped return of
[18% to 22%]
§ The Basket will
be comprised of the
S&P 500[®] Index,
the STOXX[®]
Europe 600 Index
and the Russell
2000[®] Index. The
S&P 500[®] Index
will be given an
initial weight of
45%, the STOXX[®]
Europe 600 Index

will be given an initial weight of 35% and the Russell 2000® Index will be given an initial weight of 20%
§ 1-to-1 downside exposure to decreases in the Basket beyond a 5.00% decline, with up to 95.00% of your principal at risk

§ All payments occur at maturity and are subject to the credit risk of The Bank of Nova Scotia

§ No periodic interest payments

§ In addition to the underwriting discount set forth below, the notes include a hedging-related charge of \$0.075 per unit. See “Structuring the Notes”

§ Limited secondary market liquidity, with no exchange listing

§ The notes are unsecured debt securities and are not savings accounts or insured deposits of a bank. The notes are not insured or guaranteed by the Canada Deposit Insurance Corporation (the “CDIC”), the U.S. Federal Deposit Insurance

Corporation (the “FDIC”), or any other governmental agency of Canada, the United States or any other jurisdiction

The notes are being issued by The Bank of Nova Scotia (“BNS”). There are important differences between the notes and a conventional debt security, including different investment risks and certain additional costs. See “Risk Factors” and “Additional Risk Factors” beginning on page TS-6 of this term sheet and “Risk Factors” beginning on page PS-6 of product prospectus supplement EQUITY INDICES LIRN-1.

The initial estimated value of the notes as of the pricing date is expected to be between \$9.50 and \$9.80 per unit, which is less than the public offering price listed below. See “Summary” on the following page, “Risk Factors” beginning on page TS-6 of this term sheet and “Structuring the Notes” on page TS-25 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 ⁽¹⁾	\$10.00	\$
Underwriting discount ⁽¹⁾	\$ 0.20	\$
Proceeds, before expenses, to BNS	\$ 9.80	\$

(1) For any purchase of 500,000 units or more in a single transaction by an individual investor or in combined transactions with the investor's household in this offering, the public offering price and the underwriting discount will be \$9.95 per unit and \$0.15 per unit, respectively. See “Supplement to the Plan of Distribution” below.

The notes:

Are Not FDIC Insured Are Not Bank Guaranteed May Lose Value

Merrill Lynch & Co.
April , 2018

Capped Leveraged Index Return Notes®

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

Summary

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

The Basket will be comprised of the S&P 500® Index, the STOXX® Europe 600 Index and the Russell 2000® Index (each a “Basket Component”). On the pricing date, the S&P 500 Index will be given an initial weight of 45%, the STOXX® Europe 600 Index will be given an initial weight of 35% and the Russell 2000® Index will be given an initial weight of 20%.

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

On the cover page of this term sheet, we have provided the initial estimated value range for the notes. This range of estimated values was determined by reference to our internal pricing models, which take into consideration certain factors, such as our internal funding rate on the pricing date and our assumptions about market parameters. For more information about the initial estimated value and the structuring of the notes, see “Structuring the Notes” on page TS-25.

Terms of the Notes

Redemption Amount Determination

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

Issuer: The Bank of Nova Scotia (“BNS”)

Principal Amount: \$10.00 per unit

Term: Approximately two years

Market Measure: A global equity index basket comprised of the S&P 500® Index (Bloomberg symbol: “SPX”), the STOXX® Europe 600 Index (Bloomberg symbol: “SXXP”) and the Russell 2000® Index (Bloomberg symbol: “RTY”). Each Basket Component is a price return index.

Starting Value: The Starting Value will be set to 100.00 on the pricing date.

Ending Value: The average of the values of the Market Measure on each scheduled calculation day occurring during the Maturity Valuation Period, calculated as specified in “The Basket” on page TS-8 and “Description of LIRNs—Basket Market Measures” beginning on page PS-21 of product prospectus supplement EQUITY INDICES LIRN-1. The calculation days are subject to postponement in the event of Market Disruption Events, as described on page PS-23 of product

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prospectus supplement EQUITY INDICES LIRN-1.

Threshold Value: 95.00% of the Starting Value.

Participation Rate: 200.00%

Capped Value: [\$11.80 to \$12.20] per unit, which represents a return of [18% to 22%] over the principal amount. The actual Capped Value will be determined on the pricing date.

Maturity Valuation Period: Five scheduled calculation days shortly before the maturity date.

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-25.

Calculation Agent: Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S").

Capped Leveraged Index Return Notes® TS-2

Capped Leveraged Index Return Notes®

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

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

§ Product prospectus supplement EQUITY INDICES LIRN-1 dated February 23, 2017:

§ https://www.sec.gov/Archives/edgar/data/9631/000110465917011151/a17-4372_3424b5.htm

§ Prospectus addendum dated January 9, 2018:

§ <https://www.sec.gov/Archives/edgar/data/9631/000091412118000045/bn20180108-424b3.htm>

§ Prospectus supplement dated February 13, 2017:

§ https://www.sec.gov/Archives/edgar/data/9631/000110465917008642/a17-4372_1424b3.htm

§ Prospectus dated February 1, 2017:

§ <https://www.sec.gov/Archives/edgar/data/9631/000119312517027656/d338678d424b3.htm>

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

Investor Considerations

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

- § You anticipate that the value of the Basket will increase moderately from the Starting Value to the Ending Value.
- § You are willing to risk a substantial loss of principal and return if the value of the Basket decreases from the Starting Value to an Ending Value that is below the Threshold Value.
- § You accept that the return on the notes will be capped.
- § You are willing to forgo the interest payments that are paid on conventional interest bearing debt securities.
- § You are willing to forgo dividends or other benefits of owning the stocks included in the Basket Components.
- § You are willing to accept a limited or no market for sales prior to maturity, and understand that the market prices for the notes, if any, will be affected by various factors, including our actual and perceived creditworthiness, our internal funding rate and fees and charges on the notes.
- § You are willing to assume our credit risk, as issuer of the notes, for all payments under the notes, including the Redemption Amount.

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

- § You believe that the value of the Basket will decrease from the Starting Value to the Ending Value or that it will not increase sufficiently over the term of the notes to provide you with your desired return.
- § You seek 100% principal repayment or preservation of capital.
- § You seek an uncapped return on your investment.
- § You seek interest payments or other current income on your investment.
- § You want to receive dividends or other distributions paid on the stocks included in the Basket Components.
- § You seek an investment for which there will be a liquid secondary market.
- § You are unwilling or are unable to take market risk on the notes or to take our credit risk as issuer of the notes.

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

Capped Leveraged Index
Return Notes® TS-3

Capped Leveraged Index Return Notes®

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

Hypothetical Payout Profile and Examples of Payments at Maturity

The graph below is based on hypothetical numbers and values.

This graph reflects the returns on the notes based on the Participation Rate of 200%, the Threshold Value of 95% of the Starting Value and a hypothetical Capped Value of \$12.00 per unit (the Leveraged Index midpoint of the Capped Value range of [\$11.80 to \$12.20]). The green line reflects the returns on the Return Notes® notes, while the dotted gray line reflects the returns of a direct investment in the stocks included in the Basket Components, excluding dividends.

This graph has been prepared for purposes of illustration only.

The following table and examples are for purposes of illustration only. They are based on hypothetical values and show hypothetical returns on the notes. They illustrate the calculation of the Redemption Amount and total rate of return based on the Starting Value of 100, the Threshold Value of 95, the Participation Rate of 200%, a hypothetical Capped Value of \$12.00 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 Ending Value, Capped Value, and whether you hold the notes to maturity. The following examples do not take into account any tax consequences from investing in the notes. For recent hypothetical values of the Basket, see “The Basket” section below. For recent actual levels of the Basket Components, see “The Basket Components” section below. Each Basket Component is a price return index and as such the Ending Value will not include any income generated by dividends paid on the stocks included in any of the Basket Components, which you would otherwise be entitled to receive if you invested in those stocks directly. In addition, all payments on the notes are subject to issuer credit risk.

Ending Value	Percentage Change from the Starting Value to the Ending Value	Redemption Amount per Unit	Total Rate of Return on the Notes
0.00	-100.00%	\$0.50	-95.00%
50.00	-50.00%	\$5.50	-45.00%
80.00	-20.00%	\$8.50	-15.00%
90.00	-10.00%	\$9.50	-5.00%
94.00	-6.00%	\$9.90	-1.00%
95.00 ⁽¹⁾	-5.00%	\$10.00	0.00%
97.00	-3.00%	\$10.00	0.00%
100.00 ⁽²⁾	0.00%	\$10.00	0.00%
102.00	2.00%	\$10.40	4.00%
105.00	5.00%	\$11.00	10.00%
110.00	10.00%	\$12.00 ⁽³⁾	20.00%
120.00	20.00%	\$12.00	20.00%
130.00	30.00%	\$12.00	20.00%
140.00	40.00%	\$12.00	20.00%
150.00	50.00%	\$12.00	20.00%
160.00	60.00%	\$12.00	20.00%

(1) This is the Threshold Value.

(2) The Starting Value will be set to 100.00 on the pricing date.

(3) The Redemption Amount per unit cannot exceed the hypothetical Capped Value.

Capped Leveraged Index Return Notes®

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

Redemption Amount Calculation Examples

Example 1

The Ending Value is 85.00, or 85.00% of the Starting Value:

Starting Value: 100.00

Threshold Value: 95.00

Ending Value: 85.00

Redemption Amount per unit

Example 2

The Ending Value is 100.00, or 100.00% of the Starting Value:

Starting Value: 100.00

Threshold Value: 95.00

Ending Value: 100.00

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

Example 3

The Ending Value is 105.00, or 105.00% of the Starting Value:

Starting Value: 100.00

Ending Value: 105.00

= \$11.00 Redemption Amount per unit

Example 4

The Ending Value is 130.00, or 130.00% of the Starting Value:

Starting Value: 100.00

Ending Value: 130.00

= \$16.00, however, because the Redemption Amount for the notes cannot exceed the Capped Value, the Redemption Amount will be \$12.00 per unit

Capped Leveraged Index
Return Notes® TS-5

Capped Leveraged Index Return Notes®

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

Risk Factors

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

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

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

§ 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.

§ Your investment return is limited to the return represented by the Capped Value and may be less than a comparable investment directly in the stocks included in the Basket Components.

§ Our initial estimated value of the notes will be lower than the public offering price of the notes. Our initial estimated value of the notes is only an estimate. The public offering price of the notes will exceed our initial estimated value because it includes costs associated with selling and structuring the notes, as well as hedging our obligations under the notes with a third party, which may include MLPF&S or one of its affiliates. These costs include the underwriting discount and an expected hedging related charge, as further described in “Structuring the Notes” on page TS-25.

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

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

you may be able to sell the notes in any secondary market.

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

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

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

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

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

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Return Notes®

Capped Leveraged Index Return Notes®

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

While we, MLPF&S or our respective affiliates may from time to time own securities of companies included in the Basket Components, except to the extent that the common stock of Bank of America Corporation (the parent company of MLPF&S) is included in the SPX, we, MLPF&S and our respective affiliates do not control any company included in the Basket Components, and have not verified any disclosure made by any other company. Your return on the notes may be affected by factors affecting the international securities markets, specifically changes in the countries represented by the SXXP. In addition, you will not obtain the benefit of any increase in the value of the currencies in which the securities in the SXXP trade against the U.S. dollar which you would have received if you had owned the securities represented by SXXP during the term of your notes, although the level of the SXXP may be adversely affected by general exchange rate movements in the market.

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

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

The conclusion that no portion of the interest paid or credited or deemed to be paid or credited on a note will be “Participating Debt Interest” subject to Canadian withholding tax is based in part on the current published administrative position of the CRA. There cannot be any assurance that CRA’s current published administrative practice will not be subject to change, including potential expansion in the current administrative interpretation of Participating Debt Interest subject to Canadian withholding tax. If, at any time, the interest paid or credited or deemed to be paid or credited on a note is subject to Canadian withholding tax, you will receive an amount that is less than the Redemption Amount. You should consult your own adviser as to the potential for such withholding and the potential for reduction or refund of part or all of such withholding, including under any bilateral Canadian tax treaty the benefits of which you may be entitled. For a discussion of the Canadian federal income tax consequences of investing in the notes, see “Summary of Canadian Federal Income Tax Consequences” below, “Canadian Taxation—Debt Securities” on page 50 of the prospectus dated February 1, 2017, and “Supplemental Discussion of Canadian Federal Income Tax Consequences” on page PS-27 of product prospectus supplement EQUITY INDICES LIRN-1.

Other Terms of the Notes

Market Measure Business Day

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

A “Market Measure Business Day” means a day on which:

(A) each of the New York Stock Exchange and Nasdaq Stock Market, Inc. (as to the S&P 500® Index and the Russell 2000® Index), and the Eurex (as to the STOXX® Europe 600 Index) (or any successor to the foregoing exchanges) are open for trading; and

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

Additional Risk Factors

The notes are subject to risks associated with small-size capitalization companies.

The stocks composing the RTY are issued by companies with small-sized market capitalization. The stock prices of small-size companies may be more volatile than stock prices of large capitalization companies. Small-size capitalization companies may be less able to withstand adverse economic, market, trade and competitive conditions relative to larger companies. Small-size capitalization companies may also be more susceptible to adverse developments related to their products or services.

Capped Leveraged Index Return Notes®

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

The Basket

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

For more information on the calculation of the value of the Basket, please see the section entitled “Description of LIRNs—Basket Market Measures” beginning on page PS-21 of product prospectus supplement EQUITY INDICES LIRN-1.

If April 13, 2018 were the pricing date, for each Basket Component, the Initial Component Weight, the closing level, the hypothetical Component Ratio and the initial contribution to the Basket value would be as follows:

Basket Component	Bloomberg Symbol	Initial Component Weight	Closing Level ⁽¹⁾⁽²⁾	Hypothetical Component Ratio ⁽¹⁾⁽³⁾	Initial Basket Value Contribution
S&P 500® Index	SPX	45.00	2,656.30	0.01694086	45.00
STOXX® Europe 600 Index	SXXP	35.00	379.20	0.09229958	35.00
Russell 2000® Index	RTY	20.00	1,549.509	0.01290731	20.00
				Starting Value	100.00

The actual closing level of each Basket Component and the resulting actual Component Ratios will be determined on the pricing date, subject to adjustment as more fully described in the section entitled “Description of

(1) LIRNs—Basket Market Measures—Determination of the Component Ratio for Each Basket Component” beginning on page PS-21 of product prospectus supplement EQUITY INDICES LIRN-1 if a Market Disruption Event occurs on the pricing date as to any Basket Component.

(2)