

This information statement (the "Information Statement") has been prepared solely for the purpose of assisting prospective purchasers in making an investment decision with respect to the products described herein. This Information Statement constitutes an offering of these products only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such products. No securities commission or similar authority in Canada has in any way passed upon the merits of the products offered hereunder and any representation to the contrary is an offence. The products offered under this Information Statement have not been, and will not be, registered under the "United States Securities Act of 1933", as amended or any state securities law and, subject to certain exemptions, may not be offered or sold in the United States or to U.S. persons or other non-residents of Canada. Capitalized terms which are not otherwise defined herein are defined under "Definitions".



NATIONAL BANK OF CANADA

NBC Auto Callable Deposit Notes linked to a Canadian preferred share index ETF, Series 5

DEPOSIT NOTES INFORMATION STATEMENT DATED JUNE 18, 2019

Before purchasing this product, prospective investors should determine whether this product corresponds to their investment objectives. The Bank has issued previous series which may have different terms and conditions. Please read this document and take it into consideration when making your decision.

OVERVIEW

The NBC Auto Callable Deposit Notes linked to a Canadian preferred share index ETF, Series 5 are issued by National Bank of Canada. The Principal Amount of your Deposit is fully guaranteed at maturity by the Bank. The Deposits aim to provide you with a return at maturity linked to the performance of the units of the BMO Laddered Preferred Share Index ETF. The Deposit will be redeemed automatically prior to the Maturity Date if, on any Call Valuation Date, the Reference Portfolio Return is higher than the Call Threshold.

The Maturity Date of the Deposits is July 7, 2025 (assuming an Issuance Date on July 5, 2019). **The Deposits will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of the deposit taking financial institution.**

INVESTMENT HIGHLIGHTS

Issuer:	National Bank of Canada (long-term non bail-inable senior debt rated DBRS: AA (low) / S&P: A / Moody's: Aa3 / Fitch Ratings: A+)
Type of product:	Principal Protected Notes (the "Deposits"). Your Principal Amount is fully guaranteed at maturity by the Bank.
Issuance Date:	On or about July 5, 2019 but no later than August 6, 2019.
Call Dates:	The dates indicated as such in the call information table under "Return of Your Deposit – Call Information Table".
Call Valuation Dates:	The dates indicated as such in the call information table under "Return of Your Deposit – Call Information Table".
Final Valuation Date:	Assuming an Issuance Date on July 5, 2019, the Final Valuation Date will be on June 27, 2025.
Maturity Date:	Assuming an Issuance Date on July 5, 2019, the Maturity Date will be on July 7, 2025.
Minimum investment:	\$1,000 (10 Deposits)
Price and Principal Amount:	\$100 per Deposit
Description:	The Deposits aim to provide you with a return at maturity linked to the performance of a notional Reference Portfolio composed of one or more Reference Assets. The Deposit will be redeemed automatically prior to the Maturity Date if on any Call Valuation Date the Reference Portfolio Return is higher than the Call Threshold.
Reference Portfolio:	A Reference Portfolio composed of the units of the BMO Laddered Preferred Share Index ETF (the "Reference Fund").
Currency of the Deposits:	Canadian dollars
Dividends and /or Distributions Reinvested:	No. The Reference Portfolio Return is a price return, and will not take into account the return constituted by the payment of dividends and/or distributions on account of the Reference Asset.

Secondary Market:	The Market Maker intends to maintain until the Final Valuation Date, under normal market conditions, a daily secondary market for the Deposits. The Market Maker is under no obligation to facilitate or arrange a secondary market, and the Market Maker in its sole discretion, may stop maintaining a market for the Deposits at any time, without any prior notice to you. There can be no assurance that a secondary market will be available or that such market will be liquid or sustainable.
Not Eligible for CDIC coverage:	The Deposits will not constitute deposits that are insured under the <i>Canada Deposit Insurance Corporation Act</i> or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of the deposit taking financial institution.
Early Trading Charge:	If you sell your Deposits prior to maturity through the market maintained by the Market Maker, you will be subject to an early trading charge of \$2.40 per Deposit, declining every 15 days by \$0.20 to be \$0.00 after 180 days from and including the Issuance Date.
Participation Factor:	5.00%
Certain Canadian Federal Income Tax Consequences:	Initial Holders who dispose of a Deposit should consult and rely on their own tax advisors with respect to their particular circumstances. See "Certain Canadian Federal Income Tax Considerations".
Fees and Expenses:	The Bank will pay to the Agent for payment by the Agent to those sale representatives whose clients purchase Deposits, a selling fee of up to \$1.75 per Deposit sold under the offering.
Fundserv Code:	NBC26723
No Global Certificate issued to CDS:	Not issued by way of a single global certificate registered in the name of CDS. Instead, the Deposits will be registered in records maintained by or on behalf of the Bank in the names of the registered holders. The Bank will act as the transfer agent and registrar for the Deposits.
Eligibility for Investment:	Eligible for RRSPs, RRIFFs, RESPs, RDSPs, DPSPs and TFSA's.
Risk Factors:	Prospective investors should carefully consider all of the information set forth in this Information Statement and, in particular, should evaluate the specific risk factors set forth under "Risk Factors" for a discussion of certain risks involved in evaluating an investment in the Deposits.
Availability of Information:	All information about the Deposits is available on request from your investment advisor or on the Bank's website at www.nbcstructuredsolutions.ca where the following information will be provided: the most recent bid price of the Deposits and the applicable early trading charge (if any), the last available measures on which the Reference Portfolio Return is determined, the Call Threshold and the Call Dates. The information made available on the Bank's website is provided for information purposes only.

PART A - CONDITIONS SPECIFIC TO THE INVESTMENT

1. RETURN OF YOUR DEPOSIT

Payment at maturity of your Deposits will be linked to the price performance of each Reference Asset included in the Reference Portfolio. The Deposits will have a principal amount of \$100 each (the "Principal Amount"). The investment objective of your Deposits is to provide you, (i) if the Deposits are automatically called by the Bank, which will occur if the Reference Portfolio Return is higher than the Call Threshold on a Call Valuation Date, with a fixed positive return at the Call Date and an additional variable return if the Reference Portfolio Return is greater than such fixed positive return or (ii) if the Deposits are not automatically called by the Bank on a Call Date, if the Reference Portfolio Return is higher than the Call Threshold on the Final Valuation Date, with a fixed positive return at the Maturity Payment Date and an additional variable return if the Reference Portfolio Return is greater than such fixed positive return. Any additional variable return will be limited to a percentage of the amount by which the Reference Portfolio Return exceeds such fixed positive return, as specified under "Investment Highlights – Participation Factor". As a result, you will be receiving less than 100% of that excess amount.

Maturity Redemption Payment: means an amount per Deposit to which you are entitled on a Call Valuation Date (if the Deposits are automatically called for redemption by the Bank on a Call Date) or on the Maturity Date based on the performance of the Reference Portfolio. The Maturity Redemption Payment will be calculated as follows:

- (i) if the Reference Portfolio Return is higher than the Call Threshold on a Call Valuation Date, the Deposits will be automatically called on the applicable Call Date and the Maturity Redemption Payment will be equal to the Principal Amount x [1 + Fixed Return applicable to the given Call Valuation Date + Variable Return]; or
- (ii) if the Deposits are not automatically called and the Reference Portfolio Return is higher than the Call Threshold on the Final Valuation Date, the Maturity Redemption Payment will be equal to the Principal Amount x [1 + Fixed Return applicable to the Final Valuation Date + Variable Return]; or
- (iii) if the Deposits are not automatically called and the Reference Portfolio Return is equal to or lower than the Call Threshold on the Final Valuation Date, the Maturity Redemption Payment will be equal to the Principal Amount.

Investors should understand from the foregoing that they will be entitled to a single payment under the Deposits on either the Maturity Date or a Call Date. If the Deposits are automatically called, the investment in the Deposits will terminate as of the applicable Call Date and as such, Holders will receive the Maturity Redemption Payment applicable to such Call Date and not the Maturity Redemption Payment that they would have otherwise been entitled to on a subsequent Call Date or on the Maturity Date if the Deposits had not been called.

Call Information Table:

Valuation Date	Call Threshold	Fixed Return	Fixed Return (Annually compounded)	Call Dates	Maturity Redemption Payment (if the Reference Portfolio Return is higher than the Call Threshold on the specified Valuation Date)
Call Valuation Date 1: June 29, 2020	0.00%	4.75%	4.71%	July 7, 2020	\$104.75 plus the amount attributable to the Variable Return, if any.
Call Valuation Date 2: June 29, 2021	0.00%	9.50%	4.62%	July 7, 2021	\$109.50 plus the amount attributable to the Variable Return, if any.
Call Valuation Date 3: June 29, 2022	0.00%	14.25%	4.53%	July 7, 2022	\$114.25 plus the amount attributable to the Variable Return, if any.
Call Valuation Date 4: June 29, 2023	0.00%	19.00%	4.44%	July 7, 2023	\$119.00 plus the amount attributable to the Variable Return, if any.
Call Valuation Date 5: June 28, 2024	0.00%	23.75%	4.34%	July 8, 2024	\$123.75 plus the amount attributable to the Variable Return, if any.
Final Valuation Date: June 27, 2025	0.00%	28.50%	4.26%	Maturity Date	\$128.50 plus the amount attributable to the Variable Return, if any.

Variable Return: means on a given Call Valuation Date and the Final Valuation Date, a percentage calculated as follows:

- (i) where the Reference Portfolio Return is less than or equal to the Fixed Return applicable to the given Call Valuation Date or Final Valuation Date, the Variable Return will be equal to 0%; or
- (ii) where the Reference Portfolio Return is greater than the Fixed Return applicable to the given Call Valuation Date or Final Valuation Date, the Variable Return will be equal to the product of (i) the Participation Factor and (ii) the amount by which the Reference Portfolio Return exceeds such Fixed Return.

Participation Factor: means the Participation Factor specified under “Investment Highlights”.

Reference Portfolio Return: means on any day, the sum of the Weighted Reference Asset Return of each Reference Asset comprising the Reference Portfolio.

Weighted Reference Asset Return: means for each Reference Asset contained in the Reference Portfolio and on any day, the product of (i) the Reference Asset Return and (ii) the Reference Asset Weight.

Reference Asset Weight: means the weight of each Reference Asset comprising the Reference Portfolio.

Reference Asset Return: means for each Reference Asset contained in the Reference Portfolio and on any day, a number, which may be positive or negative, expressed as a percentage, calculated as follows:

$$(\text{Closing Level on such day} / \text{Closing Level on the Issuance Date}) - 1.$$

Closing Level: means, on any day, the closing price, the closing level or the official net asset value, as applicable, and reported and/or published by the applicable Price Source as specified in the table under “Reference Portfolio”. If there is no closing price, no closing level or no official net asset value, as applicable, reported or published on that day, then the Closing Level will be the closing price, the closing level or the official net asset value, as applicable, on the immediately preceding day on which such closing price, closing level or official net asset value is reported or published by the applicable Price Source (except if this occurs on the Issuance Date or on a Valuation Date, in which case the closing price, the closing level or the official net asset value, as applicable, on the immediately following day on which such closing price, closing level or official net asset value is reported or published by the applicable Price Source will be used, subject to the provisions under “Extraordinary Events and Special Circumstances”).

The Reference Asset Return is a price return, and will not take into account dividends and/or distributions paid by the issuer of the Reference Asset. As of June 12, 2019, the dividends and/or distributions paid on account of the Reference Asset in the Reference Portfolio represented an annual return of approximately 5.36%, representing an aggregate yield of approximately 32.16% over the term of the Deposits, assuming that the yield remains constant and the dividends and/or distributions are not reinvested.

Reference Portfolio:

Reference Asset name	Reference Asset ticker	Price Source	Closing Level	Reference Asset type	Reference Asset Weight
Units of the BMO Laddered Preferred Share Index ETF (the “Reference Units”)	ZPR	TSX	Closing price	Exchange-traded fund	100%

The Reference Portfolio is used solely as a notional reference for the purpose of calculating the Maturity Redemption Payment. No actual funds will be invested in the purchase of each Reference Asset. You will not be the owners of, nor have any rights or interests in or to, each Reference Asset and therefore, will not have recourse to each Reference Asset to satisfy amounts owing under the Deposits.

Public Information

Fund Linked Deposits

Investors should carefully read the following as the return of the Deposits offered under this Information Statement is linked to the performance of a unit or share of a mutual fund, exchange-traded fund or investment fund. The Reference Fund is normally required to periodically file certain financial and other information specified by applicable securities legislation. In addition, information regarding the Reference Fund may be obtained from other sources including, but not limited to, press releases, newspaper articles and other publicly disseminated documents. Neither the Bank nor the Agent make any representation or warranty as to the accuracy or completeness of such documents and the information therein is not incorporated by reference into and does not form part of the Information Statement.

This Information Statement relates only to the Deposits offered herein and does not relate to the Reference Units, the Reference Fund or other securities. All disclosure contained in the Information Statement regarding the Reference Units and the Reference Fund is derived from publicly available information. Further, the Bank and the Agent have not verified the accuracy or completeness of any such information or determined if there has been any omission by the Reference Fund to disclose any facts, information or events which may have occurred prior to or subsequent to the date as of which any such information has been furnished by the Reference Fund or which may affect the significance or accuracy of any such information. Neither the Bank nor the Agent has participated in the preparation of any reporting documents of the Reference Fund or make any due diligence inquiry with respect to the Reference Units or the Reference Fund in connection with the offering of the Deposits. Neither the Bank nor the Agent makes any representation that publicly available documents or any publicly available information regarding the Reference Fund are accurate or complete. Furthermore, the Bank and the Agent cannot give any assurance that all events occurring prior to the date of this Information Statement that would affect the trading price of the Reference Units and therefore the Maturity Redemption Payment will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning the Reference Fund could affect the value received on any date with respect to the Deposits and, therefore, the value of the Deposits.

THE ISSUER OF REFERENCE UNITS REFERRED TO IN THIS INFORMATION STATEMENT IS NOT AN AFFILIATE OF THE BANK OR ANY OF THE BANK'S AFFILIATES. THE REFERENCE FUND HAS NOT PARTICIPATED IN THE PREPARATION OF THE INFORMATION STATEMENT, DOES NOT TAKE ON OR ASSUME ANY RESPONSIBILITY OR LIABILITY REGARDING THE ACCURACY OR COMPLETENESS OF SAID INFORMATION AND MAKES NO REPRESENTATION AS TO THE ADVISABILITY OF PURCHASING THE DEPOSITS. THE DEPOSITS ARE IN NO WAY SPONSORED, ENDORSED, SOLD OR PROMOTED BY THE REFERENCE FUND. THE REFERENCE FUND IS NOT RESPONSIBLE OR LIABLE FOR OR HAS NOT PARTICIPATED IN THE DETERMINATION OF THE TIMING, PRICING OR NUMBER OF DEPOSITS TO BE ISSUED. THE REFERENCE FUND DOES NOT ASSUME ANY LIABILITY, STATUTORY OR OTHERWISE, WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF ANY OF THE INFORMATION CONTAINED IN THIS INFORMATION STATEMENT, AND DOES NOT HAVE ANY OBLIGATION OR LIABILITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR TRADING OF THE DEPOSITS. THE ISSUANCE OF THE DEPOSITS IS NOT A FINANCING FOR THE BENEFIT OF THE REFERENCE FUND.

You should independently investigate the Reference Fund and Reference Units and decide whether an investment in the Deposits is appropriate. You should take into account additional risk factors associated with the Deposits. See “Risk Factors”.

2. SUITABILITY CONSIDERATIONS AND GUIDELINES

An investment in the Deposits is not suitable for all investors and even if suitable, investors should consider what part the Deposits should serve in an overall investment plan. The Deposits may be suitable for you if:

- you are seeking protection of your capital at maturity;
- you are looking for an automatic call feature and you expect that the Reference Portfolio Return will be higher than the Call Threshold on at least one Call Valuation Date or on the Final Valuation Date;
- you are seeking the potential for higher returns in a low interest rate environment;
- your investment horizon corresponds with the term of the Deposits;
- you do not need or do not expect certainty of return and can accept seeing the value of your investment in the Deposits diminish over time due to inflation;
- you are looking to participate in the growth potential of a portfolio composed of the Reference Asset;
- you are prepared to assume the risks as described in the Risk Factors section;
- you are looking to be exposed to the Canadian preferred shares market;
- you are prepared to receive less than the full Reference Portfolio Return above the Fixed Return on either a Call Valuation Date or the Final Valuation Date as such excess amount will be multiplied by a Participation Factor which will result in a Holder receiving less than 100% of that excess amount, as the case may be; and
- in order to benefit from the Deposit structure and capital protection at maturity, you are prepared to waive the aggregate dividend and/or distribution yield provided by the Reference Asset over the term of the Deposits to maturity, on the assumption that the dividend and/or distribution yield remains constant and that the dividends and/or distributions are not reinvested.

The Deposits have certain investment characteristics that differ from those of conventional fixed income investments in that they may not provide you with a return or income stream prior to maturity, or a return at maturity, calculated by reference to a fixed or floating rate of interest that is determinable prior to maturity. The return on the Deposits, unlike the return on many deposit liabilities of Canadian chartered banks, is uncertain in that if the Reference Portfolio does not generate a positive return, the Deposits will produce no return on your original investment. There is no assurance that the Reference Portfolio will be able to generate a positive return over the term of the Deposits to maturity. Therefore, there is no assurance that you will receive any amount at maturity other than repayment of your Principal Amount with the Bank. Your Principal Amount will be repaid only if the Deposits are held to maturity. Moreover, the value of your investment in the Deposits may diminish over time owing to inflation and other factors that adversely affect the present value of future payments. With the exception of a payment made upon a Reimbursement Under Special Circumstances, no payment will be made prior to maturity. You should take into account additional risk factors associated with this offering of Deposits. See "Risk Factors".

You should only reach a decision to invest in the Deposits after carefully considering, with your advisors, the suitability of this investment in light of your investment objectives and the information set out in this Information Statement, including the risk factors. The Bank, the Agent and the Market Maker make no recommendation as to the suitability of the Deposits for investment with respect to your particular circumstances. Neither the Bank nor any of its affiliates make any representation or express a view on the merits of each Reference Asset for the purposes of the investment.

3. EXAMPLES

The following are hypothetical examples that illustrate how the Maturity Redemption Payment shall be calculated under different scenarios. These examples are included for illustration purposes only. The amounts and all other variables used in the following examples are hypothetical and are not forecasts or projections of the Reference Asset Return of the Reference Asset, the Reference Portfolio or the performance of the Deposits. No assurance can be given that the results shown in these examples will be achieved.

(1) *Hypothetical example of a call on the first Call Valuation Date*

The following table is based on the assumption that the Reference Portfolio Return is higher than the Call Threshold but lower than the applicable Fixed Return on the first Call Valuation Date.

Reference Portfolio Return					
Call Valuation Date 1	Call Valuation Date 2	Call Valuation Date 3	Call Valuation Date 4	Call Valuation Date 5	Final Valuation Date
3.00%	N/A	N/A	N/A	N/A	N/A

Reference Portfolio Return:	3.00%
Applicable Fixed Return:	4.75%
Variable Return: $\text{MAX}[0\%, (3.00\% - 4.75\%) \times 5.00\%]$:	0.00%
Maturity Redemption Payment: $\$100 \times [1 + 4.75\% + 0.00\%]$:	\$104.75
Annualized compounded return over the 1-year term:	4.71%

In this example, the Reference Portfolio Return on the first Call Valuation Date is 3.00%, which is higher than the applicable Call Threshold but lower than the applicable Fixed Return. Therefore, the Deposits would be called, the Variable Return would be 0.00% and the Maturity Redemption Payment payable on the Maturity Payment Date would be \$104.75 (approximately 4.71% compounded annually over 1 year).

(2) *Hypothetical example of a call on the third Call Valuation Date*

The following table is based on the assumption that the Reference Portfolio Return is higher than the Call Threshold but lower than the applicable Fixed Return on the third Call Valuation Date.

Reference Portfolio Return					
Call Valuation Date 1	Call Valuation Date 2	Call Valuation Date 3	Call Valuation Date 4	Call Valuation Date 5	Final Valuation Date
-5.00%	-2.00%	7.00%	N/A	N/A	N/A

Reference Portfolio Return:	7.00%
Applicable Fixed Return:	14.25%
Variable Return : $\text{MAX}[0\%, (7.00\% - 14.25\%) \times 5.00\%]$:	0.00%
Maturity Redemption Payment : $\$100 \times [1 + 14.25\% + 0.00\%]$:	\$114.25
Annualized compounded return over the 3-year term:	4.53%

In this example, the Reference Portfolio Return on the third Call Valuation Date is 7.00%, which is higher than the applicable Call Threshold but lower than the applicable Fixed Return. Therefore, the Deposits would be called, the Variable Return would be 0.00% and the Maturity Redemption Payment payable on the Maturity Payment Date would be \$114.25 (approximately 4.53% compounded annually over 3 years).

(3) *Hypothetical example of a call on the third Call Valuation Date with a positive Variable Return*

The following table is based on the assumption that the Reference Portfolio Return is higher than the Call Threshold and higher than the applicable Fixed Return on the third Call Valuation Date.

Reference Portfolio Return					
Call Valuation Date 1	Call Valuation Date 2	Call Valuation Date 3	Call Valuation Date 4	Call Valuation Date 5	Final Valuation Date
-5.00%	-2.00%	30.00%	N/A	N/A	N/A

Reference Portfolio Return:	30.00%
Applicable Fixed Return:	14.25%
Variable Return : $\text{MAX}[0\%, (30.00\% - 14.25\%) \times 5.00\%]$:	0.79%
Maturity Redemption Payment : $\$100 \times [1 + 14.25\% + 0.79\%]$:	\$115.04
Annualized compounded return over the 3-year term:	4.78%

In this example, the Reference Portfolio Return on the third Call Valuation Date is 30.00%, which is higher than the applicable Call Threshold and higher than the applicable Fixed Return. Therefore, the Deposits would be called, the Variable Return would be 0.79% and the Maturity Redemption Payment payable on the Maturity Payment Date would be \$115.04 (approximately 4.78% compounded annually over 3 years).

(4) *Hypothetical example of a payment of the Fixed Return on the Maturity Date*

The following table is based on the assumption that the Reference Portfolio Return is higher than the Call Threshold but lower than the applicable Fixed Return on the Final Valuation Date.

Reference Portfolio Return					
Call Valuation Date 1	Call Valuation Date 2	Call Valuation Date 3	Call Valuation Date 4	Call Valuation Date 5	Final Valuation Date
-5.00%	-2.00%	-9.00%	-6.00%	-3.00%	10.00%

Reference Portfolio Return:	10.00%
Applicable Fixed Return:	28.50%
Variable Return : $\text{MAX}[0\%, (10.00\% - 28.50\%) \times 5.00\%]$:	0.00%
Maturity Redemption Payment : $\$100 \times [1 + 28.50\% + 0.00\%]$:	\$128.50
Annualized compounded return over the 6-year term:	4.26%

In this example, the Reference Portfolio Return on the Final Valuation Date is 10.00%, which is higher than the applicable Call Threshold but lower than the applicable Fixed Return. Therefore, the Variable Return would be 0.00% and the Maturity Redemption Payment payable on the Maturity Payment Date would be \$128.50 (approximately 4.26% compounded annually over 6 years).

(5) *Hypothetical example of a payment of the Fixed Return and a positive Variable Return on the Maturity Date*

The following table is based on the assumption that the Reference Portfolio Return is higher than the Call Threshold and higher than the applicable Fixed Return on the Final Valuation Date.

Reference Portfolio Return					
Call Valuation Date 1	Call Valuation Date 2	Call Valuation Date 3	Call Valuation Date 4	Call Valuation Date 5	Final Valuation Date
-5.00%	-2.00%	-9.00%	-6.00%	-3.00%	45.00%

Reference Portfolio Return:	45.00%
Applicable Fixed Return:	28.50%
Variable Return : $\text{MAX}[0\%, (45.00\% - 28.50\%) \times 5.00\%]$:	0.83%
Maturity Redemption Payment : $\$100 \times [1 + 28.50\% + 0.83\%]$:	\$129.33
Annualized compounded return over the 6-year term:	4.38%

In this example, the Reference Portfolio Return on the Final Valuation Date is 45.00%, which is higher than the applicable Call Threshold and higher than the applicable Fixed Return. Therefore, the Variable Return would be 0.83% and the Maturity Redemption Payment payable on the Maturity Payment Date would be \$129.33 (approximately 4.38% compounded annually over 6 years).

(6) *Hypothetical example of a nil return on the Maturity Date*

The following table is based on the assumption that the Reference Portfolio Return is lower than the Call Threshold on the Final Valuation Date.

Reference Portfolio Return					
Call Valuation Date 1	Call Valuation Date 2	Call Valuation Date 3	Call Valuation Date 4	Call Valuation Date 5	Final Valuation Date
-5.00%	-2.00%	-9.00%	-6.00%	-3.00%	-15.00%

Reference Portfolio Return:	-15.00%
Applicable Fixed Return:	N/A
Variable Return :	N/A
Maturity Redemption Payment :	\$100.00
Annualized compounded return over the 6-year term:	0.00%

In this example, the Reference Portfolio Return on the Final Valuation Date is -15.00%, which is lower than the applicable Call Threshold. The Maturity Redemption Payment payable on the Maturity Payment Date would be \$100 because the Deposits are principal protected at maturity.

4. RISK FACTORS

An investment in the Deposits involves certain risks. You should, in consultation with your own financial and legal advisers, carefully consider, among other matters, the following discussion of risks, before deciding whether an investment in the Deposits is suitable. The Deposits are not a suitable investment for a prospective purchaser who does not understand their terms or the risks involved in holding the Deposits.

Bank's creditworthiness. The Deposits constitute direct, unsecured and unsubordinated debt obligations of the Bank ranking *pari passu* with all other present and future unsecured and unsubordinated indebtedness of the Bank. Because the obligation to make payments to Holders of the Deposits is incumbent upon the Bank, the likelihood that such Holders will receive the Maturity Redemption Payment and any other payment under the Deposits will be dependent upon the financial health and creditworthiness of the Bank.

We refer you to the risks described in the Bank's Annual Report for the year ended October 31, 2018 and the Bank's report to shareholders for the second quarter of 2019. These analyses discuss, among other things, known material trends and events, and risks or uncertainties, that are reasonably expected to have a material effect on the Bank's business, financial condition, results of operations and hence, on its general creditworthiness.

Real or anticipated changes in credit ratings of the Bank may affect the market value of the Deposits. In addition, real or anticipated changes in credit ratings can affect the cost at which the Bank can transact or obtain funding, and thereby affect the Bank's liquidity, business, financial condition or results of operations.

The Deposits are subject to an automatic call feature. The Deposits are subject to an automatic call feature and will be automatically redeemed by the Bank prior to the Maturity Date if the Reference Portfolio Return is higher than the Call Threshold on any given Valuation Date. If called by the Banks, the difference between the Reference Portfolio Return at the Call Valuation Date and the Reference Portfolio Return at the Final Valuation Date may be significant. If the Deposits are called by the Bank, Holders will not be entitled to receive any further consideration or payment that they would otherwise been entitled to receive if the Deposits had not been called by the Bank.

The Market Value of the Deposits may decrease at an accelerated rate if and when the Reference Portfolio Return approaches and falls below the Call Threshold. When the Reference Portfolio Return on any day decreases to a return near or below the Call Threshold, the market value of the Deposits may decrease at a greater rate than the market value of the Reference Portfolio especially if near a Call Valuation Date or the Final Valuation Date. If the Reference Portfolio Return falls to a level that is near or below the Call Threshold, especially near a Call Valuation Date or the Final Valuation Date, we expect the market value of the Deposits will decrease to reflect the fact that the Deposits may not be called, or mature, at a positive return.

Investors could make no return in the Deposits. There can be no assurance that the Deposits or the underlying interest will achieve any performance. The fluctuations in the price or level of the underlying interest are unpredictable and will be influenced by factors that are beyond the control of the Bank. As a result, the value of the Deposits will fluctuate. Historical performance levels of the underlying interest should not be considered as any indication of the future performance thereof.

Risks relating to unsecured nature of the Deposits. The Deposits will not be secured by any of the assets of the Bank. Therefore, holders of secured and unsubordinated indebtedness of the Bank would have a claim on the assets securing such indebtedness that ranks prior to your claim on such assets and would have a claim that ranks *pari passu* with the claim of Holders of Deposits on such assets to the extent that such security did not satisfy such secured indebtedness.

The Deposits could be redeemed prior to maturity under a Reimbursement Under Special Circumstances. Upon the occurrence of a Special Circumstance, the Bank may redeem the Deposits pursuant to a Reimbursement Under Special Circumstances. Under such circumstances, the investor may not be able to participate fully in the return of the underlying interest that might have occurred up to the payment date pursuant to a Reimbursement Under Special Circumstances.

Reliance on the Calculation Agent. The Bank will be the Calculation Agent for the Deposits. The Calculation Agent will be solely responsible for the determination and calculation of the Maturity Redemption Payment, including the Actualized NAV and any other determinations and calculations with respect to any payment in connection with the Deposits, as well as for determining whether a Market Disruption Event in respect of a Reference Asset has occurred and for making certain other determinations with regard to the Deposits. All determinations and calculations made by the Calculation Agent will be at the sole discretion of the Calculation Agent and will, in the absence of manifest error, be conclusive for all purposes and binding upon the Holders. As such, investors in the Deposits will rely on and be exposed to the determinations of the Calculation Agent. The Calculation Agent will carry out its duties and functions in good faith and using its reasonable judgment.

Conflicts of interest may affect the Calculation Agent. The Bank will be the Calculation Agent. The Calculation Agent may have economic interests adverse to those of the Holders, including with respect to certain determinations that the Calculation Agent must make in determining the amounts payable under the terms of the Deposits and in making certain other determinations with regard to the Deposits. However, the Calculation Agent will carry out its duties and functions in good faith and using its reasonable judgment.

Moreover, as noted above, the Bank and/or its affiliates expect to engage in trading activities related to the underlying interests that are not for the account of Holders or on their behalf. These trading activities may present a conflict between the Holders' interest in the Deposits and the interests of the Bank and/or its affiliates will have in their proprietary accounts in facilitating transactions, including block trades and options and other derivatives transactions, for their customers and in accounts under their management. These trading activities, if they influence the price or the level of the underlying interests, could be adverse to the interests of the Holders. Moreover, subsidiaries of the Bank, including NBF, may have published, and in the future are likely to publish, research reports with respect to the underlying interests.

This research may be modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Deposits. Any of these activities by the Bank, NBF and/or other affiliates thereof may affect the market price and/or the level of the underlying interest and, therefore, the market value of the Deposits.

Hedging transactions may affect the underlying interests. As described under “Related Matters - Use of Proceeds and Hedging”, the Bank and/or its affiliates may hedge the Bank’s obligations under the particular Deposits by doing one or a combination of the following: purchasing or selling the underlying interest (or constituents thereof) and/or futures or options on the underlying interest (or constituents thereof), or other derivative instruments with returns linked or related to changes in the performance of the underlying interest (or constituents thereof), and the Bank and/or its affiliates are likely to adjust these hedges by, among other things, purchasing or selling the underlying interest (or constituents thereof) and/or futures, options, or other derivative instruments with returns linked or related to changes in the performance of the underlying interest (or constituents thereof), from time to time. Any of these hedging activities may, but are not expected to, impact the market price and/or the level of the underlying interest (or constituents thereof), and, therefore, increase or decrease the market value of the particular Deposits. It is possible that the Bank and/or its affiliates could receive substantial returns from these hedging activities while the market value of the particular Deposits declines. The Bank may benefit from the difference between the amount it is obligated to pay under the particular Deposits, net of related expenses, and the returns it may generate in hedging such obligation. The Bank and/or its affiliates may also engage in trading in the underlying interest (or constituents thereof) and other investments relating to the underlying interest (or constituents thereof) on a regular basis as part of their general broker-dealer and other businesses, for proprietary accounts, for other accounts under management or to facilitate transactions for customers. Any of these activities, among others, could impact the market price and/or the level of the underlying interest (or constituents thereof) and, therefore, may increase or decrease the market value of the Deposits. The Bank and/or its affiliates may also issue or underwrite other securities or financial or derivative instruments with returns linked or related to changes in the performance of the underlying interest (or constituents thereof). By introducing competing products into the marketplace in this manner, the Bank and/or its affiliates could adversely affect the market value of the Deposits.

The Valuation Date or the date on which the Maturity Redemption Payment is payable may be postponed if a Market Disruption Event occurs on the given date. The determination of the price or return of the Reference Asset may be postponed if the Calculation Agent determines that a Market Disruption Event has occurred or is continuing on the Valuation Date. If such a postponement occurs, the Calculation Agent will only be able to calculate the price or return of the Reference Asset on the first Business Day immediately after that day on which no Market Disruption Event occurs or is continuing. In no event, however, will the Valuation Date be postponed by more than five Business Days due to a Market Disruption Event. As a result, the date on which the Maturity Redemption Payment for the Deposits is due could also be postponed, although not by more than five Business Days due to a Market Disruption Event, and up to a maximum of 10 Business Days when combining any postponement due to the Valuation Date not being a Trading Day. If the Valuation Date 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 Valuation Date. In such an event, the Calculation Agent will make a good faith estimate of the price or return of the Reference Asset.

The Reference Asset Return will not reflect the full appreciation in the Reference Asset when including dividends and other distributions. The Reference Asset Return is a price return and will not reflect the payment of dividends and other distributions on the Reference Asset. Therefore, the yield based on the methodology for calculating the Reference Asset Return will not be the same as the yield which may be produced if the Reference Asset was purchased directly and held for the same period.

The return on the Deposits may not reflect the full performance of the Reference Portfolio that could be realized if investors held the Reference Asset directly. The return on the Deposits will not reflect the return that could be realized if a Holder actually owned the Reference Asset included in the Reference Portfolio and held such investment for a similar period. Any positive Reference Portfolio Return in excess of the Fixed Return as calculated on either a Call Valuation Date or the Final Valuation Date will be multiplied by a Participation Factor which will result in a Holder receiving less than 100% of that excess amount, as the case may be. Therefore, the Maturity Redemption Payment may be less than the corresponding Reference Portfolio Return on either a Call Valuation Date or Final Valuation Date and the difference between the corresponding Reference Portfolio Return and the Maturity Redemption Payment may be significant.

Holders have no ownership interest in the underlying interest or the constituents thereof. An investment in the Deposits does not constitute an investment in the underlying interest or the constituents thereof. A Holder will not be a beneficial owner of the underlying interest or constituents thereof during the term of the Deposits and therefore will not be entitled to any recourse to the underlying interest or the constituents thereof to satisfy amounts owing under the particular Deposits or to acquire constituents of the underlying interest or constituents thereof by virtue of their ownership of the particular Deposits. Moreover, Holders will not be entitled to any voting rights or to other control rights that holders of constituents comprising the underlying interest may have.

Concentration risk. The Deposits are linked only to the underlying interests. Deposits linked to underlying interests are linked only to such underlying interests. As a result, an investment in the Deposits may offer less diversification than an investment in other underlying interests, and may, as a result, be subject to greater volatility.

Deferred payment. If the payment of the full amount of the Maturity Redemption Payment of the Deposits when due would result in payment of “interest”, as defined in *Criminal Code* (Canada), at a “criminal rate” (defined as an effective annual rate exceeding 60%), such payment would be prohibited by the *Criminal Code*. Accordingly, each Holder agrees that if payment of the full amount of the Maturity Redemption Payment of the Deposits would cause the Holder to receive payment of interest at a criminal rate for the purpose of the *Criminal Code*, the Bank may defer payment of a portion of such amount until the earliest time that it may be lawfully be paid, with interest on the unpaid portion at the Bank’s equivalent term deposit rate.

Legal, administrative and regulatory change. There can be no assurance that income tax, securities and other federal and provincial laws, or that the administrative practices of government bodies such as the CRA, will not be changed in a manner that will adversely affect investors in the Deposits.

Deposits are not qualified by prospectus. The Deposits are not qualified by prospectus under applicable Canadian securities laws. No Canadian or other regulatory authority has recommended or approved the Deposits, nor has any such regulatory authority reviewed or passed upon the accuracy or adequacy of this Information Statement. There is no statutory prospectus liability under Canadian securities laws in relation to the disclosure provided in the Information Statement.

The Deposits will not be insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime. The Deposits will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon insolvency of the deposit taking institution.

Uncertain trading market for the Deposits; many factors affect the trading value of the Deposits; offer prices for Deposits may not reflect the return of the underlying interest. Investors should be willing to hold their Deposits to maturity. There is no market through which the Deposits may be sold and purchasers may not be able to resell Deposits purchased under this Information Statement. This may affect the pricing of the Deposits in the secondary market, the transparency and availability of trading prices, the liquidity of the Deposits, and the extent of issuer regulation.

There can be no assurance that a trading market for the Deposits will ever develop or be maintained. The Deposits will not be listed on any exchange.

If the secondary market for the particular Deposits is limited, there may be fewer buyers when an investor decides to sell his or her Deposits prior to the maturity date, affecting the bid price such a Holder will receive. Moreover, the Market Maker (as defined below) will reserve the right not to maintain such a secondary market in the future in their sole discretion, without providing prior notice to Holders. The Market Maker is a wholly-owned subsidiary of the Bank. Under the Deposits, the interests of the Holders and the Bank may be different. The Market Maker will carry out its market making activities in good faith and in accordance with applicable regulations governing its business.

Furthermore, the sale of Deposits using the Fundserv network is not like standard over-the-counter markets for debt instruments maintained by registered dealers and carries certain restrictions, including selling procedures that require the initiation of an irrevocable sale order at a bid price that will not be known prior to placing such sale order. See “Fundserv – Sale of Deposits using the Fundserv network”.

Many factors independent of the Bank’s creditworthiness may affect the trading in the particular Deposits. These factors include:

- (a) the complexity and volatility of the underlying interest rate or other underlying interest applicable to the Deposits if they are linked to one or more interest rates or other underlying interest;
- (b) the method of calculating the principal, premium, interest and any other amount due;
- (c) the time remaining to the maturity;
- (d) the outstanding amount of the particular Deposits;
- (e) the amount of other securities linked to the underlying interest applicable to the Deposits;
- (f) the supply and demand for the Deposits;
- (g) the inventory positions with the Market Makers;
- (h) the creditworthiness of the Bank; and
- (i) the level, direction and volatility of market interest rates generally.

The effect of any one factor may be offset or magnified by the effect of another factor.

In addition, because the Deposits are designed for specific investment objectives or strategies, these Deposits will have a more limited trading market and may experience more price volatility. There may be a more limited number of buyers for these Deposits. This may affect the price a Holder receives for these Deposits or a Holder’s ability to sell these Deposits at all.

Holders choosing to sell their Deposits prior to maturity will receive an amount which may not necessarily reflect the return of the underlying interest up to the date of such sale. The price at which a Holder will be able to sell the particular Deposits prior to maturity may be at a discount (which could be substantial) from the Maturity Redemption Payment that would be payable if the particular Deposits were maturing on such day, based upon one or more factors. The value of the Deposits in the secondary market will be affected by a number of complex and inter-related factors.

Conflicts of interest may affect the Market Maker. The Market Maker for the Deposits is a wholly-owned subsidiary of the Bank. Under the Deposits, the interests of the Holders and the Bank may be different. The Market Maker will carry out its market making activities in good faith and in accordance with applicable regulations governing its business.

Certain Risk Factors related to Fund Linked Deposits:

Trading prices. Historical returns of any Reference Fund should not be taken as an indication of its future returns. The trading prices of any Reference Units and the securities comprising any Reference Fund will fluctuate and will determine the return of any Reference Fund, and it is impossible to predict whether the return of any Reference Fund will increase or decrease. Trading prices of any Reference Units and the securities making up any Reference Fund will be influenced by the interrelated political, economic, financial and other factors that can affect the capital markets generally and the equities markets on which the underlying securities are traded, and by various circumstances that can influence the value of a particular security.

Exposure to equities. A Reference Fund could be composed of equity securities. As a result, you will be exposed to equities. The value of most investments and, in particular, equity securities, is affected by changes in general market conditions and by changes in investors' perception of inflation expectations and the condition of the issuers of equity securities. These changes may be caused by actual or anticipated corporate developments, changes in interest rates, changes in the level of inflation, global or regional political, economic or credit crises and other political and economic developments. These changes can affect the price of equity securities which can move up or down, without any predictability. A decrease in the price of equities will adversely affect the Reference Fund.

Passive investment risk and replication risk. The objective of a Reference Fund could be to replicate any tracked index with no active management. In such cases, the Reference Fund will not be actively managed by traditional methods, and the manager of such Reference Fund will not attempt to take defensive positions in declining markets. Therefore, the adverse financial condition of an issuer represented in the tracked index will not necessarily result in the elimination of its securities held by such Reference Fund unless the securities are removed from the tracked index.

Counterparty credit risk and borrowing risk. Any Reference Fund may from time to time lend securities and enter into derivatives transactions as permitted by applicable regulations and in furtherance of its investment objectives. Such transactions expose the Reference Fund to the credit risk that the counterparty may be unable to meet its obligations, resulting in a loss for the Reference Fund. In addition, the Reference Fund may borrow cash to fund dividends and/or distributions to its unitholders of amounts not yet received by the Reference Fund. Under these circumstances, if the Reference Fund does not receive such amounts from the applicable issuer, it would be required to repay the borrowed amount by disposing of portfolio assets.

Issuer concentration risk. The Reference Fund may invest more of its net assets in one or more issuers than is permitted for actively managed mutual funds. This may lower diversification and may make the general risk of equity investments and the volatility of the Reference Units relatively greater.

The performance of any Reference Fund will differ from the performance of the tracked index. With respect to a Deposit linked to a Reference Fund seeking to replicate an index, investors should recognize that there are a number of important differences between the Reference Fund and the tracked index, including the differences set forth below.

The Reference Fund will not replicate exactly the performance of the tracked index. The total return generated by the securities held by the Reference Fund will be reduced by transaction costs, including transaction costs incurred in adjusting the actual balance of the securities held by the Reference Fund, whereas such transaction costs and expenses are not included in the calculation of the returns of the tracked index. It is also possible that, for a short period of time, the Reference Fund may not fully replicate the performance of the tracked index due to the temporary unavailability of certain securities in the secondary market or otherwise or due to other extraordinary circumstances. It is also possible that the Reference Fund will not fully replicate the performance of the tracked index where the Reference Fund's expenses exceed income received from the underlying securities. A deviation could also occur in the tracking of the Reference Fund with the tracked index due to transaction costs, corporate actions (such as mergers and spin-offs) and timing variances. A deviation could occur in the tracking of the tracked index level for a variety of reasons including, for example, where the Reference Fund tenders under a successful takeover bid for less than all tracked index securities where the tracked index constituent is not taken out of the tracked index and the Reference Fund buys replacement tracked index securities for more than the takeover bid proceeds.

The Reference Fund may include securities not included in the tracked index. The Reference Fund may invest in futures contracts in order to provide market exposure for cash held by the Reference Fund and may also hold money market instruments, securities of money market funds or cash to meet its current obligations. The Reference Fund may lend securities or invest in or use derivative instruments, including futures contracts, provided that such securities lending and use of such derivative instruments is in compliance with applicable regulations and is consistent with the investment objective and strategy of the Reference Fund.

Moreover, adjustments to the Reference Fund portfolio necessitated by adjustments to the tracked index will depend on the ability the manager and third parties on which it relies for transactions to perform their respective obligations. Failure to perform their obligations could result in some deviation in the tracking of the tracked index by the Reference Units.

In addition, investors should recognize that there are differences between the trading price of the Reference Units and the net asset value of the Reference Units. The Reference Units may trade below, at, or above their net asset value per unit. The net asset value per unit will fluctuate with changes in the market value of the Reference Fund's holdings. The trading prices of the Reference Units will fluctuate in accordance with changes in the Reference Fund's net asset value per unit, as well as market supply and demand on the Exchange and other factors.

Calculation and termination of the tracked index. The tracked index is maintained and calculated by the tracked index provider. The tracked index provider has reserved the right to make adjustments to the tracked index or to cease calculating the tracked index without regard to the particular interests of the Reference Fund, its manager or its unitholders, but rather solely with a view to the original purpose of the tracked index. Trading in the Reference Units may be suspended for a period of time if, for whatever reason, the calculation of the tracked index is delayed. In the event the tracked index ceases to be calculated or is discontinued, the Reference Fund manager may

terminate the Reference Fund, change the investment objective of the Reference Fund to invest in underlying securities or to seek to replicate an alternative index, or make such other arrangements as it considers appropriate and in the best interests of unitholders in the circumstances.

Neither the Bank nor the Agent nor the Market Maker make any representation or warranty as to the accuracy or completeness of the information regarding the Reference Fund. All information regarding any Reference Fund contained in this Information Statement is derived from publicly available information, without independent verification. Neither the Bank nor the Agent nor the Market Maker make any representation or warranty as to the accuracy or completeness of such information. Each Holder, as an investor in the Deposits, should make its own investigation regarding any Reference Fund. The Bank and/or its affiliates are not affiliated with any Reference Fund or their manager and have no ability to control or predict its actions. The Reference Fund will not be involved in the offering of the Deposits in any way and has no obligation to consider any interests as an owner of the Deposits in taking any actions that might affect the value of the Deposits.

5. EXTRAORDINARY EVENTS AND SPECIAL CIRCUMSTANCES

Extraordinary Events affecting Fund linked Deposits

The underlying interest of Deposits linked to Funds will be subject to the adjustments provided hereunder.

Fund Reallocation Event

Following the occurrence of a Fund Reallocation Event (as defined below), the Bank may, in its sole discretion, substitute units, shares or other securities of another mutual fund or investment fund or, for Reference Funds seeking to replicate an index, the relevant reference index to be replicated, if applicable, for the Reference Units as provided below. To do this, the Calculation Agent will notionally sell or redeem the Reference Units and reallocate the notional proceeds to: (i) as applicable, a notional investment in the reference index; or (ii) a notional subscription of units, shares or other securities of one or more mutual funds managed by the Reference Fund manager (or, if the Bank determines, in its discretion, that there is no such replacement fund managed by the Reference Fund manager that is suitable, managed by another fund manager) having similar investment objectives and strategies in order to replace the Reference Fund as a result of the occurrence of a Fund Reallocation Event. If units, shares or other securities of a replacement fund or a reference index, if applicable, is selected by the Bank, such successor securities or reference index (the "Successor Reference Asset"), as the case may be, will be used as a substitute for the Reference Units for all purposes, including, without limitation, for purposes of calculating amounts payable under the particular Deposits and for determining whether a Market Disruption Event exists and the Calculation Agent will make all necessary adjustments to determine and calculate the Maturity Redemption Payment and any other payment under the particular Deposits.

Upon any selection by the Bank of a Successor Reference Asset, investors will be advised of any such replacement through a notice. Any such notice will be given in the manner described under "Related Matters – Notice to Holders".

If the Calculation Agent determines that a Fund Reallocation Event has occurred and the Bank, in its sole discretion, has decided not to choose a Successor Reference Asset as a substitute for such Reference Unit whether because the Bank has determined that there is no appropriate Successor Reference Asset which offer sufficient comparable attributes including, but not limited to, management, investment objectives, underlying assets, currency, liquidity, dividend or distribution yield, volatility of the units, index or underlying securities and ability for the Bank or its affiliates to place, maintain or modify hedges in respect of such assets or for any other reason (a "Fund Non Replacement Event"), then the Bank may, in its sole discretion, (i) in the event where the underlying interest is a reference portfolio or basket comprising more than one Reference Fund or comprising other securities, assets and/or reference items, decide to continue the reference portfolio or basket without such deleted Reference Unit and have the Calculation Agent make the necessary adjustments such that thereafter, the reference portfolio return will be calculated on the basis of the remaining Reference Units and other securities, assets and/or reference items, where the weighting of the deleted Reference Unit will be reallocated proportionally to the remaining Reference Units and other securities, assets and/or reference items and make the necessary adjustments so that the return generated on such deleted Reference Unit up to the event leading to such Fund Non Replacement Event is taken into account as at such date, or (ii) otherwise (whether the underlying interest is a reference portfolio or basket or not) decide to treat the Fund Non Replacement Event as a Special Circumstance and proceed with a Reimbursement Under Special Circumstances. See "Extraordinary Events and Special Circumstances – Reimbursement Under Special Circumstances and Payment".

As determined by the Calculation Agent, the occurrence of any of the following events may constitute a "Fund Reallocation Event":

- (a) for a Reference Fund that is an exchange-traded fund, a Fund Substitution Event (as defined below);
- (b) the bankruptcy, insolvency, winding-up, dissolution, liquidation or analogous procedure of the Reference Fund;
- (c) the Reference Fund manager ceases to act as the manager of the Reference Fund;
- (d) the investment objective, investment restrictions or investment policies of the Reference Fund are modified (except where such modification is of a formal, minor or technical nature);
- (e) a material modification (other than any modifications referred to in (d) above) of the terms and conditions relating to the Reference Units (including but not limited to a material modification of the constating documents of the Reference Fund) or the occurrence of any event or change having a material adverse affect on the Reference Units (including, but not limited to, the interruption, breakdown or suspension for a significant period of time of the calculation or publication of the net asset value per unit);

-
- (f) the non-execution or partial-execution by the Reference Fund of a subscription or redemption order given by an investor in any securities of the Reference Fund or a refusal to transfer any securities of the Reference Fund to an eligible transferee except where such non-execution, partial execution or refusal is the result of circumstances beyond the control of the Reference Fund;
 - (g) any mandatory redemption or other reduction (actual or potential as determined by the Calculation Agent in its sole discretion) in the number of securities of the Reference Fund held by any holder of such securities for any reason beyond the control of such holder;
 - (h) any failure by the Reference Fund manager to calculate or publish the daily or weekly official net asset value per Reference Unit of the Reference Fund for at least five (ten in the case of a net asset value calculated weekly) consecutive Business Days except as provided in the case of a suspension of determination of the net asset value per unit in accordance with the provisions set out in the constating documents of the Reference Fund;
 - (i) the Reference Fund imposes in whole or part any restriction, charge or fee in respect of a redemption or subscription of any Reference Units of the Reference Fund by any holder thereof (other than any fee applicable to a holder of Reference Units of the Reference Fund as at the date of issuance of the particular Deposits);
 - (j) any relevant activities of or in relation to the Reference Fund or the Reference Fund manager are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof; or
 - (k) a relevant authorization or license is revoked or is under review by a competent authority in respect of the Reference Fund or the Reference Fund manager.

“Fund Substitution Event” means, in respect of a Reference Fund that is an exchange-traded fund, any Nationalization, Insolvency, Delisting or Index Event in respect of such Reference Fund, or any Merger Event or Tender Offer in respect of such Reference Fund that is deemed by the Calculation Agent to be a Fund Substitution Event, or the occurrence and continuation for at least five consecutive applicable Business Days of a Market Disruption Event in respect of Reference Units of such Reference Fund.

“Nationalization” means, in respect of a Reference Unit, that all such Reference Units or all the assets or substantially all the assets of the applicable Reference Fund are nationalized, expropriated or otherwise required to be transferred to any governmental agency, authority or entity.

“Insolvency” means, in respect of a Reference Unit, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the applicable Reference Fund, (i) all the relevant Reference Units of such Reference Fund are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Reference Units of such Reference Fund become legally prohibited from transferring them.

“Delisting” means, in respect of a Reference Unit, that the relevant Exchange announces that pursuant to the rules of such Exchange, the Reference Units cease (or will cease) to be listed, traded or publicly quoted on such Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as such Exchange.

“Index Event” means, in respect of a Reference Unit, (i) the sponsor for the index that is replicated by the Reference Fund (the “ETF Reference Index”) announces that it will make a material change in the formula for or the method of calculating the ETF Reference Index or in any other way materially modifies the ETF Reference Index (other than a modification prescribed in that formula or method to maintain the ETF Reference Index in the event of changes to the constituents and other routine events) or permanently cancels the ETF Reference Index and no successor index exists, or (ii) the sponsor for the ETF Reference Index fails to determine and announce the official closing level or value of the ETF Reference Index, and, in either case, the Calculation Agent determines that such event has a material effect on the calculation of the Maturity Redemption Payment or any other payment under the particular Deposits linked to the Reference Units of the Reference Fund.

Market Disruption Event

If the Calculation Agent determines that a Market Disruption Event in respect of a Reference Unit has occurred and is continuing on the applicable Valuation Date, then the price or value of such Reference Unit will be calculated on the basis that the given date will be postponed for the purpose of such affected Reference Unit only (and not other Reference Units or other securities, assets and/or reference items that may be included in the underlying interest) to the next Business Day on which there is no Market Disruption Event with respect to such Reference.

However, there will be a limit for postponement of the Valuation Date. If on the fifth Business Day following the date originally scheduled as the Valuation Date, the Valuation Date has not occurred, then despite the occurrence or continuance of a Market Disruption Event in respect of such Reference Unit on or after such Business Day: (a) such fifth Business Day shall be the Valuation Date in respect of the Reference Unit; and (b) the price or value of the Reference Units used for determining the return of the Reference Units, the Maturity Redemption Payment or other payment based on the price or value of such Reference Unit will be a price or value equal to the Calculation Agent’s estimate of the price or value of the Reference Unit as at such Valuation Date, reasonably taking into account relevant market circumstances.

A Market Disruption Event may delay the determination of the return of a Reference Unit and consequently, in addition, if prior to the Valuation Date for the determination of the Maturity Redemption Payment or other payment for the particular Deposit a Market Disruption Event occurs and continues for at least five consecutive Business Days, then the Bank may, in its sole discretion, treat this as a Special Circumstance and proceed with a Reimbursement Under Special Circumstances. See “Extraordinary Events and Special Circumstances – Reimbursement Under Special Circumstances and Payment”.

“Market Disruption Event” means, in respect of a Reference Unit, any bona fide event, circumstance or cause (whether or not reasonably foreseeable) beyond the reasonable control of the Calculation Agent or any person that does not deal at arm’s length with the Calculation Agent which has or could have a material adverse effect on the ability of the Bank and/or its affiliates generally to place, maintain, substitute, unwind or modify hedge positions in respect of the particular Deposits and/or the Reference Units and/or a material number of securities, contracts of other reference items in which the Reference Fund assets are invested (the “Reference Fund Assets”). A Market Disruption Event may include, without limitation, any of the following events:

- (a) a suspension or absence of or material limitation on subscriptions and/or redemptions of Reference Units;
- (b) a suspension of or limitation imposed on trading by the relevant Exchanges or Related Exchanges for the Reference Units or 10% or more of the Reference Fund Assets or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchanges or Related Exchanges or otherwise (i) relating to the Reference Units or 10% or more of the Reference Fund Assets, or (ii) in futures or options contracts or relating to the Reference Units or 10% or more of the Reference Fund Assets;
- (c) the closure on any Exchange Day of the relevant Exchange(s) or any Related Exchange for the Reference Units or 10% or more of the Reference Fund Assets prior to its scheduled closing time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Day and (ii) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution at the close of trading on such Exchange Day;
- (d) any event (other than an Early Closure) that disrupts or impairs the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Reference Units or 10% or more of the Reference Fund Assets on the Exchanges, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Reference Units or 10% or more of the Reference Fund Assets on any relevant Related Exchanges;
- (e) the failure on any Exchange Day of the relevant Exchanges of the Reference Units or 10% or more of the Reference Fund Assets or any Related Exchanges to open for trading during regular trading sessions;
- (f) the adoption, change, enactment, publication, decree or other promulgation of any statute, regulation, rule or order of any court or other governmental authority, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, which would have a material adverse effect on a holder of securities of the Reference Fund or 10% or more of the Reference Fund Assets or in respect of any hedge transaction established in connection with 10% or more of the Reference Fund Assets or make it unlawful or impracticable for the Bank to perform its obligations under the particular Deposits or for a party generally to place, maintain, substitute, unwind or modify hedges of positions or to realize, recover or remit the proceeds of any such hedge in respect of the Reference Units or 10% or more of the Reference Fund Assets;
- (g) the taking of any action by any governmental, administrative, legislative or judicial authority or power of Canada or any other country, or any political subdivision thereof, which has a material adverse effect on the financial markets of Canada or a country in which the Reference Fund or 10% or more of the Reference Fund Assets are located;
- (h) any outbreak or escalation of hostilities or other national or international calamity or crisis (including, without limitation, natural calamities) which has or would have a material adverse effect on the ability of the Bank to perform its obligations under the particular Deposits or of a party generally to place, maintain, substitute, unwind or modify hedges of positions or to realize, recover or remit the proceeds of any such hedge with respect to the Reference Units or a material number of Reference Fund Assets or a material and adverse effect on the economy or the trading of securities generally on any relevant Exchange or Related Exchange for the Reference Units or 10% or more of the Reference Fund Assets;
- (i) an increase in the cost of acquiring, placing, establishing, re-establishing, substituting, maintaining, modifying, unwinding or disposing of any hedging transaction in connection with the particular Deposits or in the cost of realizing, recovering or remitting the proceeds of any such hedging transaction; or
- (j) in any other event, if the Calculation Agent determines that the event materially affects the ability of the Bank and/or its affiliates to hedge or unwind all or a material portion of a hedge with respect to the particular Deposits that has been effected or may come into effect as described below under “Related Matters - Use of Proceeds and Hedging”.

“Exchange” means, in respect of a Reference Unit, the primary exchange or trading system on which that Reference Unit is listed and traded from time to time, as determined by the Calculation Agent.

“Exchange Day” means, in respect of a Reference Unit, any day on which the Exchange for that Reference Unit is scheduled to be open for trading during the regular trading sessions.

“Related Exchange” means in respect of a Reference Unit, the primary exchange or trading system on which futures or options on the Reference Unit are listed and traded from time to time, as determined by the Calculation Agent.

For the purposes of determining whether a Market Disruption Event has occurred: (1) a limitation on the hours or number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of an Exchange or Related Exchange, and (2) a “suspension, absence or material limitation of trading” on any Exchange or Related Exchange will not include any time when such Exchange or Related Exchange itself is closed for trading under ordinary circumstances.

Special Adjustment Events for Exchange-Traded Funds

The underlying interest comprised of units, shares or other securities of exchange-traded funds will be subject to the following adjustments:

- (a) Following the declaration by the Reference Fund of the terms of any Potential Adjustment Event in respect of its Reference Units, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Reference Unit and, if so, may (i) make the corresponding adjustments, if any, to any one or more of the initial price of the Reference Units, the formula for calculating the return of the Reference Units, or any other component or variable relevant to the determination of the Maturity Redemption Payment for the particular Deposit as the Calculation Agent determines appropriate to account for the diluting or concentrative effect and (ii) determine the effective date of the adjustments. The Calculation Agent may, but need not, determine any appropriate adjustments by reference to the adjustments in respect of such Potential Adjustment Event made by an options exchange to options on the Reference Units traded on such options exchange. Unless expressly provided below, the Calculation Agent will make no adjustment in respect of any distribution of cash. A “Potential Adjustment Event” means, as determined by the Calculation Agent acting in good faith, any event that may have a diluting or concentrative effect on the theoretical value of the relevant Reference Units, including a subdivision, consolidation or reclassification of the Reference Units, an extraordinary dividend and shareholder right distribution.
- (b) On or after the closing of a Merger Event, the Calculation Agent, acting in its sole and entire discretion, will either (i) (A) make adjustment(s), if any, to any one or more of the initial price of the Reference Units, the formula for calculating the return of the Reference Units, or any other component or variable relevant to the determination of the Maturity Redemption Payment for the particular Deposits as the Calculation Agent determines appropriate to account for the economic effect on the particular Deposits of the relevant Merger Event, which may, but need not, be determined by reference to the adjustments made in respect of such Merger Event by an options exchange to options on the Reference Units traded on such options exchange, and (B) determine the effective date of the adjustments, or (ii) if the Calculation Agent determines that no adjustments that it could make under (i) will produce a commercially reasonable result, the Calculation Agent may deem the relevant Merger Event to be a Fund Reallocation Event, subject to the provisions of “Fund Reallocation Event” above.

“Merger Event” means, in respect of a Reference Unit, any (i) reclassification or change of the relevant Reference Unit that results in a transfer of or an irrevocable commitment to transfer all of such Reference Units outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the relevant Reference Fund with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Reference Fund is the continuing entity and which does not result in a reclassification or change of all of such Reference Units outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Reference Units of such Reference Fund that results in a transfer of or an irrevocable commitment to transfer all such Reference Units (other than such Reference Units owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of such Reference Fund with or into another entity in which such Reference Fund is the continuing entity and which does not result in a reclassification or change of all such Reference Units outstanding but results in the outstanding Reference Units (other than Reference Units owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Reference Units immediately following such event (commonly referred to as a “reverse merger”) or (v) sale of all or substantially all assets of the Reference Unit issuer (or any lease, long term supply agreement or other arrangement having the same economic effect as a sale of all or substantially all assets of the Reference Fund), in each case if the Merger Date is on or before the date on which the Reference Fund Return in respect of such Reference Unit is determined.

“Merger Date” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

Reimbursement Under Special Circumstances and Payment

In the event of a Special Circumstance, all of the outstanding Deposits of a series may be redeemed, at the option of the Bank (a "Reimbursement Under Special Circumstances") upon 30 Business Days' prior notice furnished in writing by the Bank in the manner set forth under "Related Matters – Notice to Holders".

A "Special Circumstance" means an event where, in the opinion of the Bank acting reasonably and in good faith, an amendment or a change is made to a taxation act or regulation, to taxation practices, policies or administration, to the interpretation of a taxation act or regulation or taxation practice, policy or administration; or an event occurs, now or in future, caused by circumstances beyond the control of the Bank making it illegal or disadvantageous, from a legislative or regulatory point-of-view, or disadvantageous, from a financial point-of-view, for the Bank to allow the Deposits of such series to remain outstanding. As provided hereunder, certain other extraordinary events affecting the underlying interest may be deemed to constitute a Special Circumstance and entitle the Bank to proceed with a Reimbursement Under Special Circumstances.

In the event of a Reimbursement Under Special Circumstances for which the Bank has opted to redeem the Deposits of a series, the Bank, acting in good faith, will set a date for the reimbursement of the particular Deposits (the "Special Reimbursement Date") and the maturity date will be accelerated to the Special Reimbursement Date. In such event, the Bank will establish a value for the particular Deposits, acting in good faith in accordance with industry-accepted methods based on a number of interrelated factors, such as, if applicable, the return, liquidity and volatility of the underlying interest, interest rates, any extraordinary events and market disruption events affecting the underlying interest, and the time remaining to Maturity Date or the Valuation Date of the Maturity Redemption Payment or to any redemption or optional repayment date, as the case may be. The value of the Deposits determined in accordance with the foregoing will constitute the "Actualized NAV". If the Actualized NAV is equal to or greater than the Principal Amount per Deposit, then the Maturity Date will be accelerated to the Special Reimbursement Date and registered Holders on such date will be entitled to receive the Actualized NAV (which will not be less than the Principal Amount per Deposit). The Bank will make available to Holders, no later than 10:00 a.m. (Montreal time) on the fifth Business Day following the determination of the Actualized NAV, the amount payable pursuant to such redemption. If, however, the Actualized NAV is less than the Principal Amount per Deposit, then the Maturity Date will not be modified and an amount equal to the Actualized NAV will be notionally invested by the Bank in Permitted Investments until the earlier of (i) the date on which such amount equals the Principal Amount per Deposit, or (ii) the Maturity Date. As a result, investors might receive only the Principal Amount per Deposit at such date. Payment of any amount thereunder will be made on the fifth Business Day following such date.

6. CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

General. The following is a fair summary of the principal Canadian federal income tax consequences generally applicable to an initial purchaser of the Deposits offered pursuant to this Information Statement who acquires the Deposits on the Issuance Date and who, at all relevant times, for purposes of the Tax Act, is, or is deemed to be, a resident of Canada, deals at arm's length and is not affiliated with the Bank, and acquires and holds the Deposits as capital property (an "Initial Holder"). **For greater certainty, this summary does not apply to a Holder who acquires the Deposits on the secondary market. Such Holders should consult and rely on their own tax advisors as to the overall consequences of their acquisition, ownership and disposition of Deposits having regard to their particular circumstances.**

The Deposits will generally be regarded as capital property of an Initial Holder who acquires and holds the Deposits as investments unless the Initial Holder holds the Deposits in the course of carrying on a business or has acquired the Deposits in a transaction or transactions considered to be an adventure in the nature of trade. The determination of whether the Deposits are held as capital property for the purposes of the Tax Act should take into account, among other factors, whether the Deposits are acquired with the intention or secondary intention of selling them prior to the Maturity Date. Certain Initial Holders whose Deposits might not otherwise qualify as capital property may, in certain circumstances, treat such Deposits and all of the Initial Holder's other Canadian securities as capital property by making an irrevocable election provided by subsection 39(4) of the Tax Act.

This summary is based upon the current provisions of the Tax Act and the regulations thereunder, all specific proposals to amend the Tax Act or the regulations publicly announced by the federal Minister of Finance prior to the date hereof and counsel's understanding of certain published administrative practices and policies of the CRA. This summary does not otherwise take into account or anticipate any changes in the law (including retroactive changes), whether by judicial, regulatory, administrative or legislative action, nor does it take into account tax laws of any province or territory of Canada, or of any jurisdiction outside Canada. Provisions of provincial income tax legislation vary from province to province in Canada and may differ from federal income tax legislation.

This summary is of a general nature only and is not intended to constitute, nor should it be relied upon or construed as, tax advice to any particular Initial Holder nor is it exhaustive of all possible Canadian federal income tax considerations. **Initial Holders should consult and rely on their own tax advisors as to the overall consequences of their acquisition, ownership and disposition of Deposits having regard to their particular circumstances.**

Interest Prior to Issuance Date. An Initial Holder that is a corporation, partnership, unit trust or trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year all interest on the funds delivered prior to the Issuance Date (the "Initial Funds") that accrues or is deemed to accrue to the Initial Holder to the end of that taxation year or becomes receivable or is received by the Initial Holder by the end of that taxation year, except to the extent that such amount was included in the Initial Holder's income for a preceding taxation year. Any other Initial Holder, including an individual, will be required to include in computing income for a taxation year any interest on the Initial Funds received or receivable by such Initial Holder in that taxation year (depending upon the method regularly followed by the Initial Holder in computing income) except to the extent that such amount was included in the Initial Holder's income for a preceding taxation year.

Accrual of Interest. In certain circumstances, provisions of the Tax Act can deem interest to accrue on a "prescribed debt obligation" (as defined for purposes of the Tax Act). Counsel to the Bank understands that the CRA takes the administrative position that instruments similar to the Deposits constitute "prescribed debt obligations". Based in part on an understanding of the CRA's current administrative policies and assessing practices, and except as discussed below, no amount should be deemed to accrue and as a consequence, there should be no deemed accrual of interest on the Deposits under these provisions prior to the Maturity Redemption Payment or Actualized NAV becoming calculable.

Payment at Maturity. The amount of the excess, if any, of the payment made to an Initial Holder at maturity (including upon a Call Date or Reimbursement Under Special Circumstances) over the Principal Amount of a Deposit will be included in the Initial Holder's income, as interest, in the taxation year in which the Valuation Date relating to such payment occurs.

Disposition of Deposits Prior to Maturity. The amount received or deemed to be received by an Initial Holder on a transfer of a Deposit that exceeds the Principal Amount of the Deposit, will be deemed to give rise to interest income to the extent of such excess and included in the income of the Initial Holder, except to the extent otherwise included in income for the taxation year or a preceding taxation year. Such transfer of a Deposit should give rise to a capital loss, to the extent that the price for which the Deposit is transferred, net of any reasonable costs of disposition, is less than the Initial Holder's adjusted cost base of the Deposit. One half of any capital loss incurred will constitute an allowable capital loss that is deductible against taxable capital gains of the Initial Holder, subject to and in accordance with the provisions of the Tax Act.

Initial Holders who dispose of a Deposit should consult and rely on their own tax advisors with respect to their particular circumstances.

7. DEFINITIONS

In this Information Statement, unless the context otherwise requires, terms not otherwise defined herein will have the meaning ascribed thereto hereunder:

General Definitions:

“**Actualized NAV**” means an amount calculated in respect of Deposits in a situation in which the Bank determines to make a Reimbursement Under Special Circumstances, all as described under “Extraordinary Events and Special Circumstances – Reimbursement Under Special Circumstances and Payment”.

“**Agency Agreement**” has the meaning ascribed thereto under “Plan of Distribution”.

“**Agent**” means National Bank Investments Inc., a wholly-owned subsidiary of the Bank.

“**Bank**” means National Bank of Canada.

“**Business Day**” means any day, other than a Saturday or a Sunday or a day on which commercial banks in either Montreal or Toronto are required or authorized by law to remain closed. If a deadline specified in this Information Statement in respect of Deposits falls on a day which is not a Business Day, the deadline will be postponed to the following Business Day.

“**Calculation Agent**” means the Bank.

“**Call Date**” means one or more call dates on which the Deposits may be automatically called by redemption, as set forth in the table under “Return of Your Deposit – Call Information Table”.

“**Call Threshold**” means the threshold, expressed as a percentage, as set forth in the table under “Return of Your Deposit – Call Information Table”.

“**Call Valuation Date**” means one or more call valuation dates, as set forth in the table under “Return of Your Deposit – Call Information Table”.

“**Closing Level**” has the meaning ascribed thereto under “Return of Your Deposit – Closing Level”.

“**CRA**” means the Canada Revenue Agency.

“**DBRS**” means DBRS Limited.

“**Deposits**” means the NBC Auto Callable Deposit Notes linked to a Canadian preferred share index ETF, Series 5.

“**Final Valuation Date**” means the final valuation date, as specified in the table under “Return of Your Deposit – Call Information Table”.

“**Fixed Return**” means the positive return potentially assigned on a Call Valuation Date and the Final Valuation Date, as specified in the table under “Return of Your Deposit – Call Information Table”.

“**Fundserv**” means the network maintained and operated by Fundserv Inc. for electronic communication with participating companies, including the receiving of orders, order match, contracting, registrations and settlement of orders, transmission of confirmation of purchases, and the redemption of investments or instruments.

“**Holder**” means a registered holder of a Deposit, being a holder in whose name a Deposit is shown on the registers maintained by or on behalf the Bank.

“**Information Statement**” means the present information statement.

“**Initial Holder**” has the meaning ascribed thereto under “Certain Canadian Federal Income Tax Considerations”.

“**Issuance Date**” means the date as of which the Deposits are issued.

“**Market Disruption Event**” has the meaning ascribed thereto under “Extraordinary Events and Special Circumstances”.

“**maturity**” wherever used herein, shall include Maturity Date, Call Date and Special Reimbursement Date.

“**Maturity Date**” means the date falling six years after the Issuance Date provided that if such date is not a Business Day, it will be deemed to be the next Business Day.

“Maturity Payment Date” means, as applicable, the date falling on the fifth Business Day following a Call Valuation Date if the Deposits are automatically called for redemption by the Bank on a Call Date, or the Final Valuation Date if the Deposits are not automatically called for redemption by the Bank on a Call Date, provided, however, that if the Reference Portfolio Return is not determined on such Call Valuation Date or Final Valuation Date because the date at which the Reference Asset Return of one or more Reference Assets to be determined is postponed, then the Maturity Payment Date will be the fifth Business Day following the latest of such postponed dates at which the Reference Portfolio Return is determined; in each case where the Maturity Payment Date is so postponed, there will be no interest or other compensation made in respect of any such delay.

“Maturity Redemption Payment” means an amount per Deposit to which you are entitled on a Call Date (if the Deposits are automatically called for redemption by the Bank on a Call Date) or the Maturity Date, as the case may be, based on the performance of the Reference Portfolio and calculated as described under “Return of Your Deposit – Maturity Redemption Payment”.

“Moody’s” means Moody’s Investors Service, Inc.

“NBF” means National Bank Financial Inc.

“Permitted Investments” means fixed income and/or money market instruments consisting of debt issued by the Government of Canada or its agencies, debt issued by the provinces of Ontario, Quebec, Alberta or British Columbia or bankers’ acceptances issued by Canadian banks or cash deposits with Canadian banks with a rating of at least R-1 (low), A-1 or P-1 by DBRS, S&P and Moody’s respectively. The term to maturity of the Permitted Investments shall not be beyond the Valuation Date.

“Price Source” means the price source indicated in the table of Reference Assets comprising the Reference Portfolio under “Return of Your Deposit – Reference Portfolio” under Exchange or, if such price source is discontinued or otherwise unavailable, any other price source deemed reliable and appropriate by the Calculation Agent acting in good faith.

“Principal Amount” means \$100 per Deposit. For greater certainty, the Principal Amount for fractional Deposits will be equal to a corresponding fraction of \$100 per Deposit and Holders who have sold Deposits prior to the Maturity Payment Date will not be entitled to receive any Principal Amount in respect of such Deposits that have been sold.

“Reference Assets” means the underlying interest contained in the Reference Portfolio, and “Reference Asset” means each of the Reference Assets.

“Reference Asset Return” has the meaning ascribed thereto under “Return of Your Deposit – Reference Asset Return”.

“Reference Asset Weight” has the meaning ascribed thereto under “Return of Your Deposit – Reference Asset Weight”.

“Reference Fund” means each of the investment funds comprising the Reference Portfolio.

“Reference Portfolio” means, the notional portfolio made up of each Reference Asset, as described in this Information Statement under “Reference Portfolio”.

“Reference Portfolio Return” has the meaning ascribed thereto under “Return of Your Deposit – Reference Portfolio Return”.

“Reimbursement Under Special Circumstances” means a special reimbursement of the Deposits, prior to the Maturity Date, in the circumstances and the manner described under “Extraordinary Events and Special Circumstances – Reimbursement Under Special Circumstances and Payment”.

“SEDAR” means the Canadian System for Electronic Document Analysis and Retrieval maintained by Canadian securities regulators.

“Special Circumstances” has the meaning ascribed thereto under “Extraordinary Events and Special Circumstances – Reimbursement Under Special Circumstances and Payment”.

“Special Reimbursement Date” means, the special payment date established in connection with a Reimbursement under Special Circumstances as described hereunder “Extraordinary Events and Special Circumstances – Reimbursement Under Special Circumstances and Payment”.

“Tax Act” means the *Income Tax Act* (Canada).

“Trading Day” means for each Reference Asset, a day on which the Closing Level is scheduled to be calculated and reported or published for that day. The occurrence of a Market Disruption Event does not, by that reason alone, qualify a day as a non-Trading Day.

“Valuation Date” wherever used herein, shall include the Call Valuation Dates and the Final Valuation Dates.

“Variable Return” has the meaning ascribed thereto under “Return of Your Deposit – Variable Return”.

“Weighted Reference Asset Return” has the meaning ascribed thereto under “Return of Your Deposit – Weighted Reference Asset Return”.

Structure-related Definitions:

“**Participation Factor**” has the meaning ascribed thereto under “Investment Highlights”.

Secondary Market related Definitions:

“**Market Maker**” means National Bank Financial Inc., a wholly-owned subsidiary of the Bank.

“**NBC Auto Callable Deposit Notes linked to a Canadian preferred share index ETF**” is a trademark of the National Bank of Canada.

8. REFERENCE ASSET DESCRIPTION AND HISTORICAL REFERENCE ASSET DATA

The following contains a brief description of the issuer of the Reference Asset, the index it seeks to replicate and tables illustrating the historical price performance and historical volatility of the Reference Asset.

See “Public Information” above. All data and information below is sourced from Bloomberg and/or publicly available sources.

This information is derived solely from publicly available information and neither the Bank, the Agent nor any of their respective affiliates make any assurances, representations or warranties as to the accuracy, reliability or completeness of such information.

BMO Laddered Preferred Share Index ETF

The BMO Laddered Preferred Share Index ETF is an exchange traded mutual fund established as a trust under the laws of the Province of Ontario. The units of the Reference Fund are traded on the TSX® under the symbol “ZPR”. BMO Asset Management Inc. (the “Manager”) is the trustee, manager, portfolio manager and promoter of the Reference Fund and is responsible for the administration of the Reference Fund.

The Reference Fund seeks to replicate, to the extent possible, the performance of a Canadian preferred shares index, net of expenses. Currently, the Reference Fund seeks to replicate the performance of the Solactive Laddered Canadian Preferred Share Index (the “Index”). The investment strategy of the Reference Fund is to invest in and hold the constituent securities of the Index in the same proportion as they are reflected in the Index or securities intended to replicate the performance of the Index. The Manager may also use a sampling methodology in selecting investments for the Reference Fund. As an alternative to or in conjunction with investing in and holding the constituent securities, the Reference Fund may invest in or use certain other securities to obtain exposure to the performance of the Index.

Further information about the Reference Fund is available on the following website: www.bmo.com and information from this website is not incorporated by reference into this Information Statement.

Solactive Laddered Canadian Preferred Share Index

The Index includes preferred shares that generally have an adjustable dividend rate and are laddered using equal weights in annual reset term buckets. Securities are market capitalization weighted within the annual term buckets. Constituents are subject to minimum market capitalization, quality and liquidity screens.

Further information about the Index and its constituent issuers is available on the following website: www.solactive.com and information from this website is not incorporated by reference into this Information Statement.

Historical Reference Asset Data

The following table shows the calendar year and year-to-date (“YTD”) price performance of the Reference Asset which is included in the Reference Portfolio. The YTD price performance is as of June 12, 2019. Historical performance is not a guarantee of future performance. Each year is measured starting from the month of December of the previous year indicated. For example: the year 2018 below refers to the year as measured from December 31, 2017 to December 31, 2018.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD
Units of the BMO Laddered Preferred Share Index ETF	n.a	n.a	n.a	n.a	-7.44%	0.29%	-23.98%	0.75%	10.00%	-13.59%	-5.31%

The following table shows the price performance of the Reference Asset included in the Reference Portfolio from the period beginning on November 20, 2012 and ending on June 12, 2019. The performance for periods that are less than one year is cumulative and is not annualized, and the performance for periods of one year or more is annualized. Historical performance is not a guarantee of future performance.

	1 month	3 month	6 month	1 year	2 year	3 year	4 year	5 year	10 year
Units of the BMO Laddered Preferred Share Index ETF	-4.37%	-5.03%	-5.22%	-17.20%	-7.07%	-0.68%	-5.76%	-7.47%	n.a

PART B - GENERAL CONDITIONS OF THE INVESTMENT

1. FEES AND EXPENSES

If specified in the Investment Highlights section on the cover page of this Information Statement, the Bank will pay to the Agent for payment by the Agent to those sale representatives whose clients purchase Deposits, a selling fee per Deposit sold under the offering. The Bank will not charge any other fee or seek reimbursement of any other expense in respect of the Deposits. For greater certainty, the pricing of the Deposits will factor in any selling commission payable to the Agent and the Bank's cost of hedging its obligations under the Deposits. As is generally the case for bank deposits, the Bank may earn a return on the offering of Deposits. This return may arise from the difference between the amount the Bank may generate in hedging its obligations under the Deposits, net of related expenses, and the amount the Bank is obligated to pay under the Deposits.

2. SECONDARY MARKET

If specified in the Investment Highlights section on the cover page of this Information Statement, the Market Maker intends to maintain until the Final Valuation Date, under normal market conditions, a daily secondary market for the Deposit. If the trading markets for one or more of the Reference Assets are disrupted, or if trading of one or more of the Reference Assets is suspended or terminated, or if any other Market Disruption Event occurs, the Market Maker will generally deem that normal market conditions do not exist. The Market Maker is under no obligation to facilitate or arrange for such a secondary market, and such secondary market, when established, may be suspended at any time at the sole discretion of the Market Maker, without any prior notice to you. Therefore, there can be no guarantee that a secondary market will be available or that such market will be liquid or sustainable. There is currently no established trading market for the Deposits. The Bank does not intend to apply to list the Deposits on any securities exchange or quotation system.

If you decide to sell Deposits prior to maturity, you may receive less than the Principal Amount per Deposit, even if the performance of the Reference Portfolio up to that time has been positive. See "Risk Factors – Uncertain Trading Market for the Deposits; Many Factors Affect the Trading Value of the Deposits; Offer prices for Deposits may not reflect the return of the underlying interest."

You will be limited to the Fundserv network to sell Deposits. The mutual fund order entry system Fundserv carries certain restrictions with respect to the sale of Deposits, including the selling procedures that require an irrevocable sale order be initiated at a bid price that will not be known prior to initiating such sale order. See "Fundserv — Sale of Deposits using the Fundserv Network".

Any sale order will need to be for a minimum of \$1,000 of principal amount of Deposits (10 Deposits), unless you hold a lesser amount of Deposits, in which case, such sale order shall be for the balance of Deposits held. The Market Maker may however waive such minimum sale requirement at its sole discretion, without any obligation on its part.

You should be aware that any valuation price for the Deposits appearing in a Holder's periodic investment account statements, as well as any bid price quoted to you to sell Deposits, will be before the application of any applicable early trading charge. If you wish to sell a Deposit prior to maturity, you should consult your investment advisor on whether a sale of the Deposits will be subject to an early trading charge and, if so, the amount of the early trading charge. If you sell your Deposits prior to maturity, you may have to do so at a discount from your Principal Amount of the Deposits even if the performance of the Reference Portfolio has been positive, and as a result, you may suffer a loss.

There will not be any market for the Deposits other than the market described above. If you cannot accept that the secondary market is limited in this way or you must have access to a secondary market at all times, you should not invest in the Deposits.

Factors Affecting the Bid Price of the Deposits. The bid price of a Deposit will be determined by the Market Maker at any time, acting in its sole discretion, and will be dependent upon a number of factors, which may include, among other things:

- **supply and demand for the Deposits** – an oversupply of Deposits or a weak demand for the Deposits may adversely affect the price of the Deposits;
- **inventory positions with market-makers** – large inventory positions with market-makers may negatively impact the demand for the Deposits which may adversely affect the price of the Deposits;
- **interest rates in the market** – an increase in interest rates may bring investors in the market place to favour fixed-income instruments over the Deposits which offer an uncertain potential of return, and therefore adversely affect the demand for and price of the Deposits;
- **the return of each Reference Asset since the Issuance Date** – a negative return will adversely affect the price of the Deposits;
- **the time remaining until the maturity of the Deposits** – where the value may be discounted prior to such time;
- **the volatility of each Reference Asset** (i.e., the frequency and magnitude of changes in the price of each Reference Asset) – high volatility may have an uncertain effect on the price of each Reference Asset, possibly adversely affecting the Reference Portfolio Return and therefore the price of the Deposits;

- **economic, financial, political, regulatory or judicial events that affect the price of each Reference Asset** – which will affect the return of each Reference Asset and therefore the Reference Portfolio Return and price of the Deposits;
- **the liquidity and market price of each Reference Asset and the other factors that affect each Reference Asset markets generally** – poor liquidity and price will adversely affect the return of each Reference Asset and therefore the Reference Portfolio Return and price of the Deposits; and
- **the creditworthiness of the Bank** – a deterioration of the creditworthiness of the Bank may bring uncertainty as to the capacity of paying amounts owed under the Deposits at maturity, and therefore adversely affect the demand for and price of the Deposits.

The effect of any one factor may be offset or amplified by the effect of another factor. The relationship among these factors is complex and may also be influenced by various political, economic and other factors that can affect the trading price of a Deposit. In particular, you should realize that any trading price for a Deposit may have a non-linear sensitivity to the increases and decreases in the prices of each Reference Asset (i.e., the trading price of a Deposit will increase and decrease at a different rate compared to the percentage increases and decreases in the prices of each Reference Asset). As well, the trading price for a Deposit may be substantially affected by changes in the level of interest rates independent of performance of each Reference Asset.

Moreover, while the Maturity Redemption Payment is based on the full principal amount of the Deposits, the pricing of the Deposits will factor in any selling commission described under “Fees and Expenses” and the Bank’s cost of hedging its obligations under the Deposits. As a result, assuming no change in market conditions and any other relevant factors highlighted herein that may affect the price of the Deposits on the secondary market, the price on the secondary market will likely be lower than the original issue price when taking such fees and costs into consideration. This effect is expected to be greater if the Deposits are sold earlier in the term of the Deposits. It is expected that the early trading charge, if any, will correspond to such discount from the original issue price.

You should consult your investment advisors as to whether it would be more favourable in the circumstances at any time to sell the Deposits (assuming the availability of a secondary market) or to hold the Deposits until the Maturity Date. You should also consult and rely on your own tax advisors as to the tax consequences arising from a sale of a Deposit prior to the Maturity Date as compared to holding the Deposit until the Maturity Date. See “Certain Canadian Federal Income Tax Considerations”.

3. FUNDSERV

The Deposits may be purchased only through Fundserv through dealers and other firms that facilitate purchase and related settlement using the Fundserv network. You should consult with your financial advisors to obtain further information on Fundserv’s procedures applicable to them.

Where a Holder’s purchase order for Deposits is made by a dealer or other firm using the Fundserv network, such dealer or other firm may not be able to accommodate a purchase of Deposits through certain registered plans for purposes of the Tax Act. Holders should consult their financial advisors as to any limitation on their ability to purchase Deposits through registered plans.

Fundserv is owned and operated by both fund sponsors and distributors and provides distributors of funds and certain other financial products with online order access to such financial products, including the Deposits. Fundserv enables its participants to clear certain financial product transactions between participants, to settle the payment obligations arising from such transactions, and to make other payments between themselves.

The Deposits may be transferred or exchanged only through Fundserv and a Fundserv Participant (as defined herein). There will be no service charge for any registration of transfer or exchange of Deposits, but the Bank may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with any transfer or exchange, other than exchanges pursuant to the terms of the Deposits not involving any transfer. The transfer of Deposits may be subject to certain time limitations imposed by the registrar and transfer agent to ensure that payments to be made pursuant to the terms of the Deposits are made to the Holders of record as of the relevant date, taking into account applicable settlement periods and internal processes.

Purchase of Deposits using the Fundserv Network. In order to purchase Deposits using the Fundserv network, the full Principal Amount must be delivered to the Bank in immediately available funds prior to the Issuance Date. Despite delivery of such funds, the Bank reserves the right not to accept any offer to purchase a Deposit, in whole or in part. If a subscription for Deposits is not accepted (in whole or in part) or Deposits are not issued to you for any reason, such funds will be returned forthwith to you. In any case, if the Deposits are not issued for any reason as determined by the Bank, no interest or other compensation will be paid to you on such funds.

Generally, a dealer or firm may effect a purchase of Deposits for a client in Fundserv either through (a) a client account (a “client-name” purchase) or (b) a nominee or trust account held by the dealer or firm on behalf of the client (a “nominee” purchase). The registered holder of Deposits purchased through a client-name purchase will be the client for whom the applicable client account is maintained. The registered holder of Deposits purchased through a nominee purchase will be the dealer or firm that effected the purchase on behalf of its client. Registration of a holder’s interest in Deposits will be made by the Bank as instructed by the holder’s financial advisor using the Fundserv network. A holder that purchases Deposits through a nominee purchase will have an indirect beneficial ownership interest in the Deposits. This beneficial ownership interest will be recorded by the registrar as being held by the holder’s dealer and participating member of Fundserv (the “Fundserv Participant”). According to Fundserv procedures, each such Fundserv Participant in turn will record in its books respective beneficial ownership interests in the Deposits purchased using the Fundserv network.

Sale of Deposits using the Fundserv Network. If you wish to sell Deposits using the Fundserv network prior to the Final Valuation Date, you will be subject to certain procedures and limitations and you should consult with your financial advisor in advance in order to understand the timing and other procedural requirements and limitations of selling. You must sell Deposits by using the “redemption” procedures of Fundserv; any other sale is not possible. Accordingly, you will not be able to negotiate a sale price for Deposits. Instead, your financial advisor will need to initiate an irrevocable request to “redeem” the Deposits in accordance with the then established procedures of Fundserv. Provided that your financial advisor initiates the redemption request by 1:00 p.m. (Montreal time) on any Business Day, the request will be treated on the same day. Any request received after such time or on a day that is not a Business Day will be deemed to be a request sent and received in respect of the following Business Day. Sale of the Deposits using the Fundserv network will be effected at a sale price established after the close of market on the day the request is treated, equal to (i) the Fundserv “net asset value” of a Deposit on the applicable day, as posted to Fundserv by the Market Maker, (ii) minus any applicable early trading charge for the Deposits.

Holders should also be aware that, although the “redemption” procedures of Fundserv would be utilized, the Deposits will actually be sold in the secondary market to the Market Maker (and not “redeemed”). In turn, the Market Maker will be able to deal with such Deposits in its discretion, including, without limitation, to sell those Deposits to other parties at any price or to hold them in its inventory.

Holders should also be aware that from time to time such “redemption” mechanism to sell Deposits using the Fundserv network may be suspended for any reason without notice, thus effectively preventing Holders from selling their Deposits. Potential Holders requiring liquidity should carefully consider this possibility before purchasing Deposits.

The Market Maker will provide the Bank for posting, under normal market conditions as part of its agreement to maintain a secondary market to the Deposits, a “net asset value” for the Deposits on a daily basis, which value may also be used for valuation purposes in any statement sent to Holders. The bid price will actually represent the Market Maker’s bid price for the Deposits (i.e., the price it is offering to purchase Deposits in the secondary market) for the applicable day, less the applicable early trading charge set forth under “Secondary Market”. There is no guarantee that the bid price for any day is the highest bid price possible in any secondary market for the Deposits, but will represent the Market Maker’s bid price generally available to all Holders, including clients of the Market Maker.

A Holder holding Deposits purchased through the Fundserv network should realize that the Deposits may not be transferable to another dealer, if the Holder were to decide to move his or her investment accounts to such other dealer. In that event, the Holder would have to sell the Deposits purchased using the Fundserv network pursuant to the procedures outlined above.

4. PLAN OF DISTRIBUTION

This offering consists of Deposits, sold by the Bank at a price of \$100 each and payable on the Issuance Date. The minimum subscription price per Holder is \$1,000 (10 Deposits). Fractional Deposits over such minimum number of Deposits may be issued and all calculations made in respect of amounts payable on account of a fractional Deposit will be prorated accordingly. The Principal Amount and all payments under the Deposits will be in Canadian dollars. Funds in respect of all subscriptions are payable at the time of subscription.

Orders for purchases of Deposits may be accepted in whole or in part, and the right to allot Deposits to investors in an amount less than subscribed for by the investors is reserved by the Bank. The Bank reserves the right to discontinue accepting subscriptions at any time without notice. The Bank may at any time prior to closing of a series, in its discretion, elect whether or not to proceed in whole or in part with the issue of the Deposits. Any rejected subscription amount will be returned to you without any interest or deduction.

The Bank may from time to time issue any additional series of Deposits or any other Deposits or other debt instruments or deposits which may or may not resemble the Deposits.

The Agent and the Bank have entered into an agency agreement (the “Agency Agreement”) pursuant to which the Agent has agreed to offer Deposits for sale on a best efforts basis, if, as and when issued by the Bank, in accordance with the terms and conditions contained in the Agency Agreement and subject to the approval of certain legal matters on behalf of the Bank and the Agent. The Bank may also retain the services of other registered dealers to act as Agent in the sale of Deposits.

The full subscription price therefore must be delivered to the Bank in immediately available funds prior to the Issuance Date and will be held in escrow pending closing of the offering of the Deposits. The purchaser will receive from the Bank, credit for interest accruing on funds so delivered in the form of additional Deposits (or fractions of thereof). The number of additional Deposit(s) for a purchaser will be equal to the dollar amount of interest that would accrue on the funds delivered at a rate of 0.25% per annum from and including the first Business Day after such funds are received by the Agent to but excluding the Issuance Date, divided by the \$100 purchase price of a Deposit. For the avoidance of doubt, such interest will not be payable in cash. Upon acceptance of a subscription at closing (in whole or in part as provided below), a confirmation of acceptance will be sent out by prepaid mail or other means of delivery to the subscriber. If for any reason, at the sole discretion of the Bank, the closing of this offering does not occur, notwithstanding the foregoing, all subscription funds will be returned to subscribers without interest or deduction. The Agent or other selling firms may however make other arrangements with prospective purchasers where interest may be paid. Any such arrangement will be made independently from the Bank between the Agent or other selling firms and the prospective purchasers and shall not be binding upon the Bank.

The Agent is a wholly-owned subsidiary of the Bank. As a result, the Bank is a related issuer of the Agent under applicable securities legislation by virtue of the Bank’s ownership of the Agent. The decision to offer the Deposits and the terms of this offering were negotiated at arm’s length between the Bank and the Agent.

The obligations of the Agent under the Agency Agreement may be terminated and the Agent may withdraw all subscriptions for Deposits before their issuance on behalf of the subscribers at its discretion on the basis of its assessment of the state of the financial markets and upon the occurrence of certain other stated events.

Within the Bank, the business unit responsible for the Bank's linked deposit program selects the underlying securities and makes decisions to acquire and sell underlying securities on the secondary market for the purposes of its hedging activities independently from other business units. It does not acquire underlying securities in connection with linked deposits under primary distributions. Its personnel is not privy to any non-public information regarding either primary or secondary market purchases of underlying securities by other business units of the Bank. Moreover, such other business units make their own decisions respecting transactions on the underlying securities independently from the business unit of the Bank responsible for the linked deposits program.

5. RELATED MATTERS

The following is a summary of other information relevant to your decision to purchase the Deposits.

- 1. The Bank reserves the right to discontinue accepting subscriptions at any time without notice.** The Bank or the Agent, may in their sole discretion, at any time prior to the Issuance Date, elect whether or not to proceed in whole or in part with the issue of the Deposit. If for any reason the closing of this offering does not occur, any unaccepted Principal Amount will be returned to investors without interest or charge. Moreover, the Bank may, in its sole discretion, postpone the Issuance Date to a later date within thirty days following the Issuance Date specified in this Information Statement. In such case, the Maturity Date will be adjusted accordingly to the end of the term following the Deposit's Issuance Date.
- 2. No early redemption.** The Deposits are not redeemable at your option prior to the Maturity Date.
- 3. Deposits are unsubordinated indebtedness.** The Deposits will constitute direct, unsecured and unsubordinated debt obligations of the Bank. The Deposits will be issued on an unsubordinated basis and will rank *pari passu* with all other present and future unsecured and unsubordinated indebtedness of the Bank and will be payable rateably without any preference or priority.
- 4. Credit rating.** The long-term non bail-inable senior debt of the Bank is, at the date of this Information Statement, rated as specified in the Investment Highlights section on the cover page of this Information Statement. The Deposits have not been rated by any rating agencies. There can be no assurance that, if the Deposits were specifically rated by these rating agencies, they would have the same rating as the other deposit liabilities of the Bank. A credit rating is not a recommendation to buy, sell or hold investments, and may be subject to revision or withdrawal at any time by the relevant rating agency.
- 5. Use of proceeds and hedging.** The Bank will use the proceeds of the offering of Deposits, after payment of the expenses related to such offering, for general banking purposes. The Bank and/or its affiliates may also use those proceeds in transactions intended to hedge the Bank's obligations under the Deposits. The hedging activity of the Bank and/or its affiliates may adversely affect the market value of the Deposits from time to time. See "Risk Factors – Hedging transactions may affect the underlying interests".
- 6. Settlement of payments.** The Bank will be required to make available to registered Holders on the Maturity Payment Date, no later than 10:00 a.m. (Montreal time) on the Maturity Payment Date, funds in an amount sufficient to pay the Maturity Redemption Payment.

All payments on Deposits registered in the name of a Fundserv Participant will be made by the Bank to such Fundserv Participant, as the registered Holder of the Deposits. The Bank will credit the accounts of the related Fundserv Participants with payment in amounts proportionate to their respective holdings in principal amount of such Deposits as shown on the records. The Bank expects that payments by Fundserv Participants to owners of beneficial interests will be governed by standing customer instructions and customary practices as is now the case with securities held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such Fundserv Participants.

- 7. Uncertificated form.** The Deposits will be issued in uncertificated form and will be registered in records maintained by or on behalf of the Bank in the names of the registered holders of the Deposits, meaning a holder in whose name a Deposit is shown on the registers maintained by or on behalf of the Bank. The Bank will act as the transfer agent and registrar for the Deposits, but has the right to appoint another person to act as transfer agent and registrar for the Deposits. Investors should be aware that their ability to pledge or transfer Deposits may be limited due to the lack of a physical certificate.

The Bank will treat the registered holder of a Deposit as the person exclusively entitled to vote, to receive notices, to receive any interest or other payment in respect of such Deposit and to exercise all of the rights and powers of an owner of Deposits. The Bank will have no responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Accordingly, each person owning a beneficial interest in a Deposit must rely on the procedures of Fundserv and on the procedures of and contractual arrangements with the Fundserv Participant through which such person owns its interest, to exercise any rights of a holder under a Deposit.

Deposits may be transferred or exchanged only through Fundserv and a Fundserv Participant. See "Fundserv". There will be no service charge for any registration of transfer or exchange of Deposits, but the Bank may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with any transfer or exchange, other than exchanges pursuant to the terms of the Deposits not involving any transfer.

The transfer of Deposits may be subject to certain time limitations imposed by the registrar and transfer agent to ensure that payments to be made pursuant to the terms of the Deposits are made to the Holders of record as of the relevant date, taking into account applicable settlement periods and internal processes.

- 8. Calculation Agent.** The Bank will be the Calculation Agent with regard to the Deposits. The Calculation Agent will be solely responsible for the determination and calculation of the Reference Asset Returns, the Reference Portfolio Return and the Maturity Redemption Payment, as well as for determining whether a Market Disruption Event or other extraordinary events have occurred and any ensuing adjustments as provided herein and for making certain other determinations with regard to the Deposits. All determinations and calculations made by the Calculation Agent will be at the sole discretion of the Calculation Agent and will, in the absence of manifest error, be conclusive for all purposes and binding upon the Holders. See “Risk Factors – Conflict of interest may affect the Calculation Agent”.
- 9. Eligibility for Investment.** Based on the legislation in effect on the date hereof, the Deposits will, at the Issuance Date, be qualified investments under the Tax Act for trusts governed by registered retirement savings plans (“RRSPs”), registered retirement income funds (“RRIFs”), registered education savings plans (“RESPs”), registered disability savings plans (“RDSPs”), deferred profit sharing plans (“DPSPs”) (other than DPSPs to which contributions are made by the Bank or a person or partnership with which the Bank does not deal at arm's length within the meaning of the Tax Act) and tax-free savings accounts (“TFSA”). If the Deposits are “prohibited investments” (within the meaning of the Tax Act), for an RRSP, RRIF, RESP, RDSP or TFSA the annuitant of the RRSP or the RRIF, the subscriber of the RESP, or the holder of the RDSP or the TFSA (as the case may be) (the “Plan Holder”) will be subject to a penalty tax as set out in the Tax Act. The Deposits will be “prohibited investments” (within the meaning of the Tax Act) for an RRSP, RRIF, RESP, RDSP or TFSA belonging to a Plan Holder who has a “significant interest” (as defined in the Tax Act) in the Bank or who does not deal at arm's length with the Bank for the purposes of the Tax Act. Investors should consult their own tax advisors in this regard. When offered through Fundserv, purchasers who wish to purchase Deposits using the Fundserv network for registered accounts such as RRSPs will need to have their own self-directed registered accounts. See “Fundserv”.
- 10. Notice to Holders.** If notice is required to be given to you relating to the Deposits, it will be validly given if communicated to the Holders by mail, electronic, on the Bank's website www.nbcstructuredolutions.ca and/or any other means.
- 11. Amendments to the Deposits.** The terms of the Deposits may be amended without your consent by agreement between the Bank and the Agent if, in the reasonable opinion of the Bank and the Agent, the amendment would not materially and adversely affect your interests. In all other cases, the terms of the Deposits may be amended by the Bank if the amendment is approved by a resolution passed by the favourable votes of the Holders of not less than 66 2/3% of the Deposits represented at a meeting convened for the purposes of considering the resolution, or by written resolution signed by Holders of not less than 66 2/3% of the Deposits. Each Holder is entitled to one vote per Deposit held by such Holder for the purposes of voting at a meeting convened to consider a resolution. The Deposits do not carry the right to vote in any other circumstances.
- 12. Right of Cancellation.** You are entitled to a right of cancellation, which must be exercised within two Business Days after the later of (i) the day on which the agreement to purchase the Deposits is entered into and (ii) the day on which this Information Statement is provided to you. Upon cancellation of the purchase of the Deposits, you will be entitled to a refund of your Principal Amount and of any fees relating to the purchase that have been paid by you. This cancellation right does not extend to Holders buying Deposits on the secondary market. To exercise their right of cancellation, initial purchasers may call their investment advisor.

The agreement to purchase the Deposits will be entered into (i) if the order to purchase is received via telephone or electronic means, on the day on which the order to purchase is received, and (ii) if the order to purchase is received in person, on the later of the second day following (a) the day on which the Information Statement is provided to the purchaser and (b) the day on which the order to purchase is received. Purchasers will be deemed to have been provided the Information Statement (i) on the day recorded as the time of sending by the server or other electronic transmission system, if provided by electronic means; (ii) on the day recorded as the time of sending by a fax machine, if provided by fax; (iii) five Business Days after the postmark date, if provided by mail; and (iv) when it is received, in any other case.
- 13. Governing Laws.** The Deposits will be governed by and construed in accordance with the laws of the Province of Québec and the laws of Canada applicable therein. Moreover, by subscribing to the Deposits, Holders will be agreeing with the Bank to irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Quebec and Ontario with respect to any matters arising out of this Information Statement or any matter related to the Deposits.

ABOUT THIS INFORMATION STATEMENT

National Bank of Canada (the “Bank” or the “Issuer”) was formed through a series of amalgamations and its roots date back to 1859 with the founding of Banque Nationale in Quebec City. The Bank’s head and registered office is located at the National Bank Tower, 600 de La Gauchetière Street West, Montreal, Quebec, H3B 4L2. The Bank offers a full range of financial services to individuals, commercial enterprises, financial institutions and governments both in Canada and abroad.

Prospective purchasers may obtain more information on the Bank by consulting the Bank’s public disclosure documents, filed by the Bank with the various securities commissions or similar authorities in each of the provinces of Canada through the Internet on SEDAR at www.sedar.com.

The Bank has taken all reasonable care to ensure that the facts stated in this Information Statement in relation to the Deposits are true and accurate in all material respects and that there are no other material facts in relation to the Deposits the omission of which would make any statement herein, whether of fact or opinion, misleading. Where the information is from third-party sources, the information is from sources believed to be reliable, but neither the Issuer nor the selling agent has independently verified any such information contained herein.

No person has been authorized to give any information or to make any representations other than those that may be contained in:

- (a) this Information Statement; or*
- (b) any amendments made from time to time to this Information Statement;*

in connection with the offering or sale of the Deposits and, if given or made, such information or representations must not be relied upon as having been authorized.

This Information Statement does not constitute an offer or invitation by any person in any jurisdiction in which the offer or invitation is not authorized to be made and it does not constitute an offer or invitation to any person to whom it cannot lawfully be made. This Information Statement has been prepared solely for the purpose of assisting prospective purchasers in making an investment decision with respect to the Deposits described therein. This Information Statement is also not, and under no circumstances should it be construed as, a public offering of the Deposits or a prospectus or advertisement in respect of the Deposits. The distribution of this Information Statement and the offering or sale of the Deposits in some jurisdictions may be restricted by law. In addition, distribution of the Deposits in jurisdictions other than Canada may also be restricted by policies of the Issuer. Persons into whose possession this Information Statement comes are required by the Issuer and the selling agent to inform themselves about, and to observe, any such restrictions. This Information Statement constitutes an offering of the Deposits only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale and where not restricted by policies the Issuer and the selling agent, and then only through persons duly qualified to effect such sales. More particularly, the Deposits have not been, and will not be, registered with the U.S. Securities and Exchange Commission and are being offered or sold in the United States under an exemption from registration.

No securities commission or similar authority has in any way passed upon the merits of the Deposits nor has any commission or similar authority passed on the accuracy or adequacy of this Information Statement and any representation to the contrary may be an offence. This Information Statement contains a summary of the material attributes and characteristics of the Deposits.

Certain statements included in this Information Statement constitute forward looking statements, including but not limited to those identified by the expressions “believe”, “estimate”, “expect”, and similar expressions to the extent that they relate to the Bank or the Agent, as the case may be. These forward looking statements are not historical facts, but reflect the Bank’s or Agent’s current expectations regarding future results or events. These forward looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed under “Risk Factors” and in other sections of this Information Statement.

Investors should be aware that the Deposits are not securities issued by a mutual fund and purchasers do not benefit from certain rights and recourses otherwise provided by certain securities laws in connection with the issuance of such securities, including the right to receive a prospectus and other customary information documents provided by issuers, a right of cancellation and certain other rights of action to rescind a purchase, revise the price of a purchase or seek damages in case documents show false or misleading information. However, purchasers will receive a copy of this Information Statement, which grants purchasers a contractual right of cancellation described herein under “Right of Cancellation”.