

This Pricing Supplement (the "Pricing Supplement") together with the short form base shelf prospectus dated July 9, 2020, as amended or supplemented, including by the Amendment No. 1 dated July 29, 2021 (the "Prospectus"), the prospectus supplement thereto dated July 10, 2020, as amended or supplemented (the "Prospectus Supplement") to which it relates and each document incorporated by reference into such prospectus constitutes a public offering of securities only in the jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities commission or similar regulatory authority has in any way passed upon the merits of securities offered hereunder and any representation to the contrary is an offence. The Note Securities to be issued hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended and, subject to certain exemptions, may not be offered, sold or delivered, directly or indirectly, in the United States of America to or for the account or benefit of U.S. persons.

Pricing Supplement No. AC1685 dated November 3, 2021

(to the short form base shelf prospectus dated July 9, 2020, as amended by the Amendment No. 1 dated July 29, 2021, and as supplemented by the Prospectus Supplement entitled NBC Auto Callable Note Securities (no direct currency exposure; price return) Program dated July 10, 2020)



NATIONAL BANK OF CANADA

NBC Auto Callable Note Securities (no direct currency exposure; price return) Program

NBC Auto Callable Note Securities (Maturity-Monitored Barrier) linked to a portfolio of travel and leisure companies, Class F, due on November 22, 2024

(non principal protected note securities)

Maximum Can\$15,000,000 (150,000 Note Securities)

No minimum amount of funds must be raised under this offering. This means that the Bank could complete this offering after raising only a small proportion of the offering amount set out above.

This Pricing Supplement supplements the short form base shelf prospectus dated July 9, 2020, as amended by the Amendment No. 1 dated July 29, 2021, relating to \$8,000,000,000 Medium Term Notes of the Bank, as amended or supplemented, and the Prospectus Supplement dated July 10, 2020. If the information in this Pricing Supplement differs from the information contained in the Prospectus and/or the Prospectus Supplement, you should rely on the information in this Pricing Supplement. Holders should carefully read this Pricing Supplement, the Prospectus Supplement and the accompanying Prospectus to fully understand the information relating to the terms of the Note Securities and other considerations that are important to Holders. All three documents contain information Holders should consider when making their investment decision. The information contained in this Pricing Supplement and the accompanying Prospectus and Prospectus Supplement is current only as of the date of each.

The estimated initial value of the Note Securities as of the date of this Pricing Supplement is \$96.40 per \$100 of Principal Amount, which is less than the issue price. The estimated initial value is equal to 96.40% of the Principal Amount, being equivalent to a \$1.20 annual discount over the term of the Note Securities. The actual value of the Note Securities at any time will reflect many factors, cannot be predicted with accuracy and may be less than this amount. We describe our determination of the estimated initial value in more detail in the Prospectus. The Independent Dealer did not participate in the preparation of the estimated initial value for the Note Securities. See "Description of the Note Securities – Estimated Initial Value of Linked Note Securities" in the Prospectus.

The Note Securities differ from conventional debt and fixed income investments; repayment of the entire Principal Amount is not guaranteed. The Note Securities entail downside risk and are not designed to be alternatives to conventional debt or fixed income investments or money market instruments.

The Note Securities are non principal protected note securities and the Holder may receive an amount that is less than the Principal Amount at maturity. The Note Securities will not pay any interest or other amount prior to maturity. **For greater certainty, throughout this Pricing Supplement, “maturity” wherever used herein, shall include Maturity Date, Call Date and Special Reimbursement Date.**

The Note Securities 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. **The Note Securities 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.**

Amounts paid to Holders will depend on the performance of the Reference Portfolio. None of the Bank, its affiliates, the Dealers, or any other person or entity guarantees that Holders will receive an amount equal to their original investment in the Note Securities or guarantees that any return will be paid on the Note Securities on a Call Date or at maturity. Since the Note Securities are not protected and the Principal Amount will be at risk (other than the minimum Maturity Redemption Payment of 1% of the Principal Amount), it is possible that Holders could lose some or substantially all of their original investment in the Note Securities. See “Risk Factors” in the Prospectus Supplement and the Prospectus.

The Note Securities are redeemable automatically on a Call Date depending on the performance of the Reference Portfolio. In addition, the Note Securities may be redeemed by the Bank pursuant to a Reimbursement Under Special Circumstances. See “Description of the Note Securities – Reimbursement Under Special Circumstances and Payment” in the Prospectus.

The Note Securities are not redeemable prior to the Maturity Date except on a Call Date, and except by the Bank pursuant to a Reimbursement Under Special Circumstances. See “Description of the Note Securities – Reimbursement Under Special Circumstances and Payment” in the Prospectus. The Note Securities will not be listed on any securities exchange or quotation system. National Bank Financial Inc. intends to maintain, under normal market conditions, a daily secondary market for the Note Securities. National Bank Financial Inc. may stop maintaining a market for the Note Securities at any time without any prior notice to Holders. There can be no assurance that a secondary market will develop or, if one develops, that it will be liquid. Moreover, Holders selling their Note Securities prior to maturity may be subject to certain fees. See “Secondary Market for the Note Securities” in the Prospectus Supplement.

The Reference Asset Return for each Reference Asset is a price return, and will not take into account dividends and/or distributions paid by the issuers on account of each of the Reference Assets. As of October 27, 2021, the dividends and/or distributions paid on account of all of the Reference Assets in the Reference Portfolio represented an annual indicative yield of 0.00%.

National Bank Financial Inc. is an indirect wholly-owned subsidiary of the Bank. **As a result, the Bank is a “related issuer” and a “connected issuer” of National Bank Financial Inc. within the meaning of the securities legislation of certain provinces and territories of Canada.** See “Plan of Distribution” in the Prospectus Supplement and in the Prospectus.

Issuer:	National Bank of Canada
Note Securities Offered:	NBC Auto Callable Note Securities (Maturity-Monitored Barrier) linked to a portfolio of travel and leisure companies, Class F, due on November 22, 2024
Principal Amount:	\$100
Minimum Subscription:	\$1,000 (10 Note Securities)
Auto Callable type:	Maturity-Monitored Barrier

Issuance Date: November 22, 2021, subject to postponement if such date is not a Trading Day for all Reference Assets and/or in certain other circumstances as described in the Prospectus Supplement and the Prospectus.

Maturity Date: November 22, 2024

Reference Portfolio:

Reference Asset name	Reference Asset ticker	Price Source	Closing Level	Reference Asset type	Reference Asset Weight*
Common shares of American Airlines Group Inc.	AAL	NASDAQ GS	Closing price	Equity security	16.67%
Common shares of United Airlines Holdings, Inc.	UAL	NASDAQ GS	Closing price	Equity security	16.67%
Common shares of Carnival Corporation	CCL	NYSE	Closing price	Equity security	16.67%
Common shares of Delta Air Lines, Inc.	DAL	NYSE	Closing price	Equity security	16.67%
Common shares of Norwegian Cruise Line Holdings Ltd.	NCLH	NYSE	Closing price	Equity security	16.67%
Common shares of Royal Caribbean Cruises Ltd.	RCL	NYSE	Closing price	Equity security	16.67%

* For illustration purposes, the Reference Asset Weights have been rounded. The actual Reference Asset Weight for each Reference Asset is one-sixth (1/6) of the Reference Portfolio.

Moreover, the Note Securities constitute Equity Linked Note Securities under the Prospectus.

Initial Level: Closing Level on the Issuance Date.

Currency: Canadian dollars

Maturity Redemption Payment: The Maturity Redemption Payment per Note Security will be as follows:

- (i) if the Reference Portfolio Return is equal to or higher than the Call Threshold on a Call Valuation Date, the Note Securities will be automatically called on the applicable Call Date and the Maturity Redemption Payment will be equal to $\$100 \times [1 + \text{Fixed Return applicable to the given Call Valuation Date} + \text{Variable Return}]$; or
- (ii) if the Note Securities are not automatically called and the Reference Portfolio Return is equal to or higher than the Call Threshold on the Final Valuation Date, the Maturity Redemption Payment will be equal to $\$100 \times [1 + \text{Fixed Return applicable to the Final Valuation Date} + \text{Variable Return}]$; or

- (iii) if the Note Securities are not automatically called and the Reference Portfolio Return is lower than the Call Threshold but equal to or higher than the Barrier on the Final Valuation Date, the Maturity Redemption Payment will be equal to \$100; or
- (iv) if the Note Securities are not automatically called and the Reference Portfolio Return is lower than the Call Threshold and is lower than the Barrier on the Final Valuation Date, the Maturity Redemption Payment will be equal to $\$100 \times [1 + \text{Reference Portfolio Return}]$.

Investors should understand from the foregoing that they will be entitled to a single payment under the Note Securities on either the Maturity Date or a Call Date. If the Note Securities are automatically called, the investment in the Note Securities 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 Note Securities had not been called.

Notwithstanding the foregoing, the Maturity Redemption Payment will be subject to a minimum of 1% of the Principal Amount.

Fixed Return:

Valuation Date	Call Threshold	Fixed Return	Fixed Return (Annually compounded)	Call Dates	Maturity Redemption Payment (if the Reference Portfolio Return is equal to or higher than the Call Threshold on the specified Valuation Date)
Call Valuation Date 1: November 15, 2022	0.00%	12.00%	12.00%	November 22, 2022	\$112.00 plus the amount attributable to the Variable Return, if any.
Call Valuation Date 2: November 15, 2023	-10.00%	24.00%	11.36%	November 22, 2023	\$124.00 plus the amount attributable to the Variable Return, if any.
Final Valuation Date: November 15, 2024	-20.00%	36.00%	10.78%	Maturity Date	\$136.00 plus the amount attributable to the Variable Return, if any.

Variable Return:	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 Variable Return Threshold applicable to the given Call Valuation Date or the Final Valuation Date, the Variable Return will be equal to 0%; or
	(ii) Where the Reference Portfolio Return is greater than the Variable Return Threshold applicable to the given Call Valuation Date or the 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 the Variable Return Threshold.
Variable Return Threshold:	The applicable Fixed Return.
Participation Factor:	5.00%
Call Dates:	The dates indicated as such in the table above.
Call Valuation Dates:	The dates indicated as such in the table above, subject to postponement if such date is not a Trading Day for all Reference Assets and/or in certain other circumstances as described in the Prospectus Supplement and the Prospectus.
Final Valuation Date:	The date indicated as such in the table above, subject to postponement if such date is not a Trading Day for all Reference Assets and/or in certain other circumstances as described in the Prospectus Supplement and the Prospectus.
Call Threshold:	As set forth under the column entitled “Call Threshold” in the table above.
Barrier:	-30.00%
Selling commission:	No selling commission.
Dealers:	National Bank Financial Inc. and Desjardins Securities Inc. (the “Dealers”). Desjardins Securities Inc. will act as Independent Dealer. The Dealers will act as agents in connection with the offering and sale of the Note Securities.
Independent Dealer Fee:	Up to \$0.15 per Note Security (up to 0.15% of the Principal Amount of each Note Security sold).
Early Trading Charge:	No early trading charge.
Eligibility for Investment:	Eligible for RRSPs, RRIFs, RESPs, RDSPs, DPSPs and TFSA. See “Eligibility for Investment” in the Prospectus.
Form of the Note Securities:	The Note Securities will be issued as Uncertificated Note Securities. See “Description of the Note Securities – Form, Registration and Transfer of Note Securities” in the Prospectus and “Description of the Note Securities – Form of Note Securities” in the Prospectus Supplement.

Fundserv: NBC24060. Notwithstanding the provision with respect to the interest that would accrue on the funds delivered using the Fundserv network under the heading “Fundserv” in the Prospectus Supplement, in any case, whether or not the Note Securities are purchased using the Fundserv network, no interest or other compensation will be paid to the Holder on such funds delivered prior to the Issuance Date.

Timely Information on the Note Securities: The Bank will seek to make available at www.nbcstructuredsolutions.ca certain information regarding the Note Securities. Such information is provided for information purposes only and will not be incorporated by reference into this Pricing Supplement.

REFERENCE ASSETS

The following contains a brief description of the issuer of each of the Reference Assets and tables illustrating the historical price performance of the Reference Assets.

See “Public Information – Equity Linked Note Securities” in the Prospectus. All data and information below is sourced from Bloomberg and/or publicly available sources.

This information is derived solely from publicly available information and none of the Bank, the Dealers or any of their respective affiliates makes any assurances, representations or warranties as to the accuracy, reliability or completeness of such information.

American Airlines Group Inc.

American Airlines Group Inc. operates an airline that provides scheduled passenger, freight and mail service throughout North America, the Caribbean, Latin America, Europe and the Pacific. The company also provides connecting service throughout the United States, Canada and the Caribbean.

United Airlines Holdings, Inc.

United Airlines Holdings, Inc. operates as a holding company. The company, through its subsidiaries, provides air transportation services. United Airlines Holdings, Inc. owns and manages airlines that transports people and cargos. The company serves customers worldwide.

Carnival Corporation

Carnival Corporation owns and operates cruise ships offering cruises to all major vacation destinations including North America, United Kingdom, Germany, Southern Europe, South America and Asia Pacific. The company, through a subsidiary, also owns and operates hotels and lodges. Dually-listed company with CCL LN.

Delta Air Lines, Inc.

Delta Air Lines, Inc. provides scheduled air transportation for passengers, freight and mail over a network of routes. The company offers flight status information, bookings, baggage handling and other related services. Delta Air Lines, Inc. serves customers worldwide.

Norwegian Cruise Line Holdings Ltd.

Norwegian Cruise Line Holdings Ltd. operates a fleet of passenger cruise ships. The company offers an array of cruise itineraries and theme cruises, as well as markets its services through various distribution channels including retail and travel agents, international and incentive sales, and consumer direct. Norwegian Cruise Line Holdings Ltd. serves customers worldwide.

Royal Caribbean Cruises Ltd.

Royal Caribbean Cruises Ltd. operates as a global cruise company operating a fleet of vessels in the cruise vacation industries. The company operates through brands which primarily serve the contemporary, premium and deluxe segments of the cruise vacation industry which also includes the budget and luxury segments.

Historical Reference Assets Data

The following table shows the calendar year and year-to-date (“YTD”) price performance of each of the Reference Assets which are included in the Reference Portfolio. The YTD price performance is as of October 27, 2021. **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 2020 below refers to the year as measured from December 31, 2019 to December 31, 2020.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD
Common shares of American Airlines Group Inc.	N/A	N/A	N/A	112.40%	-21.03%	10.25%	11.44%	-38.29%	-10.68%	-45.01%	20.67%
Common shares of United Airlines Holdings, Inc.	-20.78%	23.90%	61.80%	76.82%	-14.34%	27.19%	-7.52%	24.23%	5.21%	-50.90%	5.94%
Common shares of Carnival Corporation	-29.21%	12.65%	9.25%	12.85%	20.19%	-4.44%	27.49%	-25.72%	3.10%	-57.39%	-0.09%
Common shares of Delta Air Lines, Inc.	-35.79%	46.72%	131.42%	79.07%	3.05%	-2.96%	13.84%	-10.89%	17.19%	-31.24%	-2.84%
Common shares of Norwegian Cruise Line Holdings Ltd.	N/A	N/A	N/A	31.76%	25.30%	-27.40%	25.21%	-20.39%	37.79%	-56.46%	0.28%
Common shares of Royal Caribbean Cruises Ltd.	-47.30%	37.26%	39.47%	73.83%	22.78%	-18.94%	45.39%	-18.02%	36.53%	-44.06%	11.78%

The following table shows the price performance of each of the Reference Assets included in the Reference Portfolio from the period beginning on October 27, 2011 (or the actual first date of trading on which any of the Reference Assets were listed on the Exchange, if later) and ending on October 27, 2021. 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
Common shares of American Airlines Group Inc.	-11.36%	-11.32%	-12.55%	69.46%	-21.47%	-16.31%	-20.47%	-13.77%	N/A
Common shares of United Airlines Holdings, Inc.	-6.64%	-5.82%	-14.32%	34.09%	-29.29%	-18.50%	-6.62%	-3.38%	8.58%
Common shares of Carnival Corporation	-17.97%	-5.09%	-22.19%	57.27%	-30.32%	-26.40%	-24.67%	-14.20%	-5.17%
Common shares of Delta Air Lines, Inc.	-10.76%	-4.61%	-15.69%	27.22%	-15.41%	-9.82%	-6.24%	-1.19%	16.29%
Common shares of Norwegian Cruise Line Holdings Ltd.	-10.02%	0.20%	-16.39%	54.26%	-29.61%	-16.55%	-17.72%	-6.53%	N/A
Common shares of Royal Caribbean Cruises Ltd.	-9.65%	3.64%	-4.72%	45.50%	-13.42%	-6.78%	-9.45%	4.17%	10.59%

INVESTMENT STRATEGY SUPPORTING A PURCHASE OF THE NOTE SECURITIES

NBC Auto Callable Note Securities (Maturity-Monitored Barrier)

You should consider a purchase of the Note Securities rather than alternative investments (including a direct purchase of the Reference Assets or exposure to them) if you expect that:

- (i) the Reference Portfolio Return will be equal to or higher than the Call Threshold on at least one Call Valuation Date or on the Final Valuation Date; and
- (ii) the first time the Reference Portfolio Return is equal to or higher than the Call Threshold on any Call Valuation Date or the Final Valuation Date, the Reference Portfolio Return will not be higher than the Fixed Return applicable to the given Call Valuation Date or Final Valuation Date, as the case may be; or
- (iii) if the Reference Portfolio Return is lower than the Call Threshold on every Call Valuation Date and on the Final Valuation Date, the Reference Portfolio Return will be equal to or higher than the Barrier on the Final Valuation Date.

If your expectations of the Reference Portfolio Return differ from these, you should consider alternative investments rather than an investment in the Note Securities.

SUITABILITY OF THE NOTE SECURITIES FOR INVESTORS

NBC Auto Callable Note Securities (Maturity-Monitored Barrier)

The Note Securities are not suitable for all investors. In determining whether the Note Securities are a suitable investment for you please consider that:

- (i) the Note Securities provide no protection for your original principal investment and if the Reference Portfolio Return is lower than the Call Threshold on every Call Valuation Date and is lower than the Barrier on the Final Valuation Date, you will receive an amount which is less than your original principal investment on the Maturity Payment Date;
- (ii) your Note Securities will be redeemed automatically prior to the Maturity Date if on any Call Valuation Date the Reference Portfolio Return is equal to or higher than the Call Threshold;
- (iii) any positive Reference Portfolio Return in excess of the Variable Return Threshold 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;
- (iv) your investment strategy should be consistent with the investment features of the Note Securities;
- (v) your investment time horizon should correspond with the term of the Note Securities; and
- (vi) your investment will be subject to the risk factors summarized in the section “Risk Factors” in this Pricing Supplement, the Prospectus Supplement and the Prospectus.

ABOUT THE ISSUERS OF THE REFERENCE ASSETS

The issuer of each of the Reference Assets is a reporting issuer or the equivalent in the United States of America and is required to file periodically certain financial and other information specified by securities legislation. The information provided to or filed electronically with the securities regulatory authorities can be accessed through the EDGAR Database on the Securities and Exchange Commission's website, a filing system that provides access to most public securities documents and information filed by public companies and investment funds with the Securities and Exchange Commission. The Securities and Exchange Commission's website is www.sec.gov/edgar.shtml. See "Public Information – Equity Linked Note Securities" in the Prospectus.

This Pricing Supplement relates only to the Note Securities offered hereby and does not relate to the Reference Assets or other securities of the issuer of each of the Reference Assets. The Bank and the Dealers have not verified the accuracy or completeness of any information contained in such documents and information or determined if there has been any omission by the issuer of each of the Reference Assets to disclose any facts, information or events which may have occurred prior to or subsequent to the date as of which any information contained in such documents and information has been furnished by the issuer of each of the Reference Assets which may affect the significance or accuracy of any information contained in any such documents and information. Neither the Bank nor any Dealer makes any representation that such publicly available documents or any other publicly available information regarding the issuer of each of the Reference Assets or the Reference Assets are accurate or complete.

The issuers of the Reference Assets are not affiliates of the Bank and its affiliates. The issuers of the Reference Assets have not participated in the preparation of this Pricing Supplement, do not take any responsibility or assume any liability with respect to the accuracy or completeness of any information contained herein and make no representation regarding the advisability of purchasing the Note Securities.

The Note Securities are not in any way sponsored, endorsed, sold or promoted by the issuers of the Reference Assets. The issuers of the Reference Assets are not responsible for and have not participated in the determination of the timing, pricing or number of Note Securities to be issued. The issuers of the Reference Assets do not have any statutory liability with respect to the accuracy or completeness of any of the information contained in this Pricing Supplement and have no obligation or liability in connection with the administration, marketing or trading of the Note Securities. Investing in the Note Securities is not equivalent to investing directly in the Reference Assets. The issuance of the Note Securities is not a financing for the benefit of any of the issuers of the Reference Assets or any insiders of any of the issuers of the Reference Assets.

Prospective investors should independently investigate the issuers of the Reference Assets and decide whether an investment in the Note Securities is appropriate.

DOCUMENTS INCORPORATED BY REFERENCE

In addition to this Pricing Supplement, the following documents are specifically incorporated by reference into, and form an integral part of, the Prospectus as of the date of this Pricing Supplement:

- (i) the Audited Consolidated Financial Statements for the year ended October 31, 2020, which include comparative consolidated financial statements of the Bank for the year ended October 31, 2019, together with the Independent Auditor's Report thereon;
- (ii) the Management's Discussion and Analysis for the year ended October 31, 2020, as contained in the Bank's 2020 Annual Report;
- (iii) the Bank's Annual Information Form dated December 1, 2020;
- (iv) the Material Change Report dated January 26, 2021 announcing the appointment of Laurent Ferreira as Chief Operating Officer effective February 1, 2021;

- (v) the Management Proxy Circular dated February 24, 2021 in connection with the Bank's annual meeting of shareholders held on April 23, 2021;
- (vi) the Material Change Report dated August 11, 2021 announcing the appointment of Laurent Ferreira as President and Chief Executive Officer effective November 1, 2021 following Louis Vachon's decision to retire on October 31, 2021;
- (vii) the unaudited interim condensed consolidated financial statements of the Bank for the third quarter ended July 31, 2021, which include comparative unaudited interim condensed consolidated financial statements of the Bank for the third quarter ended July 31, 2020, together with the Management's Discussion and Analysis as contained in the Bank's Report to Shareholders for the Third Quarter 2021; and
- (viii) the summary entitled "NBC Auto Callable Note Securities" dated November 2, 2021.

MARKETING MATERIALS

Any template version of "marketing materials" (as defined in *National Instrument 41-101 – General Prospectus Requirements*) filed with the securities regulatory authorities in each of the provinces and territories of Canada in connection with this offering after the date of filing hereof but prior to the termination of the distribution of the Note Securities under this Pricing Supplement (including any amendments to, or an amended version of, the marketing materials) is deemed to be incorporated by reference herein. Any such marketing materials are not part of this Pricing Supplement to the extent that the contents of the marketing materials have been modified or superseded by a statement contained in an amendment to this Pricing Supplement.

RISK FACTORS

COVID-19

The COVID-19 pandemic has had disruptive and adverse impacts in the countries where the Bank conducts business and, more broadly, on the global economy. Among other things, COVID-19 sent stock markets into sharp decline and rendered them more volatile, disrupted global supply chains, and provoked a rapid and sudden rise in unemployment and an economic slowdown. The actual impact of the pandemic will depend on future events that are highly uncertain and cannot be predicted. Disruptions caused by COVID-19 could have a material adverse effect on the level of the Reference Assets and constituents of the Reference Assets (if applicable) and the return on the Note Securities. In particular, an increase in market volatility could make it more likely for Note Securities with a Barrier feature for such Barrier to be reached with potential adverse consequences to Holders.

Travel Industry Risk Factor

The Reference Portfolio is composed of securities of travel and leisure companies. Airline and cruise companies are exposed to many risks, and may be adversely affected by factors such as a downturn in economic conditions that can result in decreased demand for air and sea travel, changes in fuel prices, which may be very volatile, the imposition of tariffs, changes in labor relations and insurance costs and dependency on aircraft, vessel or related equipment from a small number of suppliers. More importantly, the pandemic caused by COVID-19, a novel coronavirus, has resulted in a wide range of social and economic disruptions, including closed borders, reduced or prohibited domestic or international travel and conditions imposed on travellers designed to protect the health and safety of citizens (such as mandatory testing and quarantines) which has severely impacted demand for air and sea travel. Airline and cruise companies have experienced particularly large losses. The stock price of many airline and cruise companies has suffered from such disruptions and losses, experiencing significant volatility and reduction. Depending on the evolution of the pandemic, including the unpredictable effects of new variants of the coronavirus and the efficacy of vaccines, and the time required for their administration in the world population, such disruptions may continue for an extended period of time or reoccur in the future to a similar or greater extent.

Moreover, new habits adopted by air travel clients such as an increased reliance on video conference and other electronic collaboration solutions may reduce demand for air travel even if the pandemic is resolved, especially with respect to business travel. New health and safety measures imposed even after the pandemic may result in increased operating costs. Many airline and cruise companies have required significant financial assistance from governments or resorted to significant borrowings or equity financings to enhance their liquidities and may require similar measures in the future depending on the evolution of the pandemic and the related disruptions in business. Such financial assistance and borrowings may adversely impact the airline and cruise companies' creditworthiness and result in increased borrowing costs, an increased debt burden, and a reduced borrowing capacity even if the pandemic is resolved. Equity financings may cause significant dilution to existing shareholders, adversely impacting the stock price. As a result, an investment in the travel industry, including on the expectation of a recovery from the COVID-19 pandemic, is subject to significant risk.