

**MARKET-LINKED GUARANTEED INVESTMENT CERTIFICATE (the market-linked GICs) INFORMATION STATEMENT
DATED JULY 25, 2019**

Before purchasing a market-linked GIC, 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.

INVESTMENT HIGHLIGHTS

Issuer:	National Bank of Canada (the "Bank")
Product Code (Fundserv):	NBC11556 for the 3-year GIC NBC11523 for the 5-year GIC
Issue Date:	September 18, 2019
Maturity Date:	September 16, 2022 for the 3-year GIC September 17, 2024 for the 5-year GIC
Term:	3 years and 5 years
Minimum investment:	\$500
Eligible for CDIC coverage:	Yes, subject to maximum CDIC coverage limitations and applicable conditions.
Dividends and/or distributions reinvested:	No. The Reference Portfolio Return is a price return and will not take into account dividends and/or distributions paid by the issuers or constituents of the Reference Assets comprising the Reference Portfolio.
Secondary Market:	No secondary market. The Canadian Market Low Volatility GIC will not be listed on any stock exchange and no secondary market will be provided.
Variable Interest:	Variable Interest = Principal invested on the Issue Date x Reference Portfolio Return x Participation Factor

CONDITIONS SPECIFIC TO THE INVESTMENT

Canadian Market Low Volatility GIC, Series 20, Advisors Category – 3-year term (the "3-year GIC")

Canadian Market Low Volatility GIC, Series 20, Advisors Category – 5-year term (the "5-year GIC" and together with the 3-year GIC, the "Canadian Market Low Volatility GIC")

Participation Factor:	70.00% for the 3-year GIC 115.00% for the 5-year GIC
Maximum Variable Interest:	No maximum

Investors of the Canadian Market Low Volatility GIC will be entitled to receive on the Maturity Date repayment of the principal invested on the Issue Date. In addition, depending on the performance of the Reference Portfolio (as defined below), investors will be entitled to receive a Variable Interest (as described below). Payment of the principal invested and any Variable Interest will be made on the Maturity Date.

Investors may choose from the following two terms and Maturity Dates assuming an Issue Date on September 18, 2019:

Term of the Canadian Market Low Volatility GIC	Maturity Date
3 years	September 16, 2022
5 years	September 17, 2024

The Variable Interest, if any, will be an amount calculated based on the price performance of the Reference Portfolio composed of Reference Assets, as described below. Unlike certain other market-linked guaranteed investment certificates based on the performance of an underlying reference portfolio, the Variable Interest will not be subject to a cap. However, any positive Reference Portfolio Return will be multiplied by a Participation Factor which will result in investors receiving less than 100% of such positive Reference Portfolio Return if the Participation Factor is less than 100%.

Variable Interest

The variable interest (the “Variable Interest”) payment is calculated as follows:

$$\text{Variable Interest} = \text{Principal invested on the Issue Date} \times \text{Reference Portfolio Return} \times \text{Participation Factor}$$

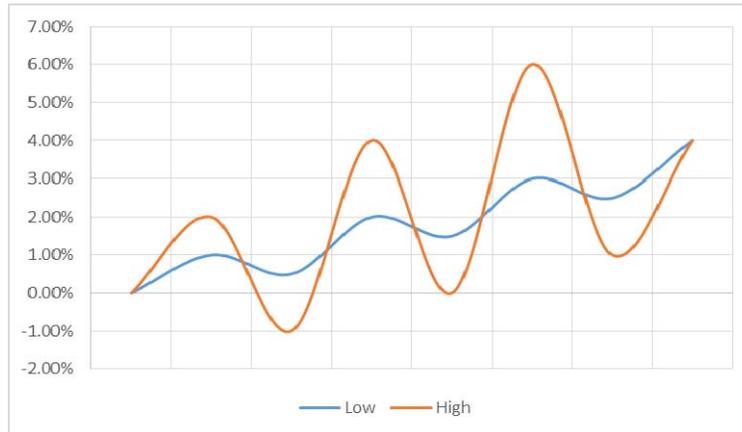
If the Reference Portfolio does not generate a positive price return at maturity, the Canadian Market Low Volatility GIC will not generate any Variable Interest and, in this case, no return will be paid.

Reference Portfolio

Reference Asset name	Reference Asset ticker from Bloomberg	Price Source	Closing Level	Reference Asset type	Reference Asset Weight
S&P/TSX Composite Low Volatility Index (the “Reference Index”)	SPTXLVPR	S&P Dow Jones Indices LLC	Closing level	Index	100%

The S&P/TSX Composite Low Volatility Index is designed to measure the performance of the 50 least volatile securities from the S&P/TSX Composite Index. Constituents are weighted relative to the inverse of their corresponding volatility, with the least volatile stocks receiving the highest weights.

The volatility of a security is represented by the magnitude and frequency of the changes in the security’s value over a given time period. As is illustrated by the chart below, the higher the magnitude of the changes in the security’s value, the more volatile the security. *The following hypothetical example is included for illustration purposes only and should not be construed as forecasts or projections.*



To be eligible for inclusion into the Reference Index, securities must first be constituent of the S&P/TSX Composite. The selection of the Reference Index constituents is done as follow:

- Using available price return data for the trailing 12 months leading up to each Reference Index rebalancing date, the volatilities of the constituents are calculated.
- Constituents are, then, ranked in order based on the inverse of the realized volatility. The top 50 securities with the least volatility are selected to form the Reference Index.

The Reference Index is rebalanced quarterly, using the current constituents of the S&P/TSX Composite Index. Securities are deleted either at the quarterly rebalancing or when a security is removed from the S&P/TSX Composite Index between rebalancings. The sectorial composition of the weighted Reference Index, as of July 17, 2019, is set out below. *The historical composition of the Reference Index does not necessarily reflect the composition of the Reference Asset in the future.*

Sector diversification	Weighting
Real Estate	31.2%
Financial Services	24.0%
Utilities	14.3%
Telecommunication Services	10.6%
Consumer Staples	5.2%

Health Care	4.3%
Industrials	3.6%
Energy	3.5%
Materials	1.7%
Information Technology	1.7%

Further information about the S&P/TSX Composite Low Volatility Index and its constituent issuers is available from S&P Dow Jones Indices LLC on its website at www.spindices.com and information from this website is not incorporated by reference herein.

The Reference Portfolio is used solely as a notional reference for the purpose of calculating the Variable Interest. No actual funds will be invested in the purchase of the underlying Reference Assets. You will not be the owners of, nor have any rights or interests in or to, each Reference Asset.

Investors should carefully read the following as the return of the Canadian Market Low Volatility GIC is linked to a portfolio including an index. All information relating to the Reference Index contained in this document is taken from and based solely upon publicly available information. That information reflects the policies of, and is subject to change by the Reference Index sponsor. The Reference Index sponsor has no obligation to continue to publish, and may discontinue publication of, the Reference Index at any time. Neither the Bank nor the Agent have independently verified the accuracy or completeness of any such information or assume any responsibility for the accuracy or completeness of such information.

You should independently investigate the Reference Index and its index sponsor and decide whether an investment in the Canadian Market Low Volatility GIC is appropriate. You should take into account additional risk factors associated with the Canadian Market Low Volatility GIC. See "Risk Factors".

Reference Portfolio Return

The Reference Portfolio Return is equal to the sum of the Weighted Reference Asset Return of each of the Reference Assets comprising the Reference Portfolio.

WHERE:

"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 of such Reference Asset as specified in the table above.

The **Reference Asset Return** is a number, expressed as a percentage, equal to the price return of each Reference Asset and will be calculated as follows:

$$\frac{\text{Reference Asset Final Average Value} - \text{Reference Asset Initial Value}}{\text{Reference Asset Initial Value}}$$

WHERE:

- **"Reference Asset Initial Value"** will be equal to the Reference Asset Price on the Issue Date.
- **"Reference Asset Final Average Value"** will be equal to the average of the Reference Asset Prices on each of the following three valuation dates (each, an **"Average Valuation Date"** and, together, the **"Average Valuation Dates"**):
 - (i) 1st business day of the 2nd calendar month preceding the calendar month in which falls the Maturity Date;
 - (ii) 1st business day of the calendar month preceding the calendar month in which falls the Maturity Date;
 - (iii) 5th business day preceding the Maturity Date.
- **"Reference Asset Price"** means, on any day, the closing level calculated and published by the Price Source as specified in the table under "Reference Portfolio". If there is no closing level calculated and published on that day, then the Closing Level will be the closing level on the immediately preceding day on which such closing level is calculated and published by the Price Source (except if this occurs on the Issue Date or an Average Valuation Date, in which case the closing level on the immediately following day on which such closing level is calculated and published by the Price Source will be used, up to a maximum postponement of five Business Days. If the closing of the primary exchange, the absence of a closing level or the market disruption event should last for five Business Days, the closing level of the Reference Asset will be a price determined on such fifth Business Day by the Calculation Agent in its sole discretion and in good faith using market-accepted practices.

The impact of market instability at the end of the term of the Canadian Market Low Volatility GIC is reduced since the performance of each Reference Asset used to calculate the Variable Interest will be based on the average of three Reference Asset Prices of each Reference Asset determined over the last three months of the term of the Canadian Market Low Volatility GIC. As a result, a brief period of high market volatility at the end of the term of the Canadian Market Low Volatility GIC is less likely to have a significant impact on the Variable Interest.

The Reference Portfolio is used solely as a notional reference for the purpose of calculating the Variable Interest. Return calculation is based on the price return of the Reference Assets and will not take into account distributions and (or) dividends paid on account of such Reference Assets. For indicative purposes, as of July 17, 2019, the distributions and (or) dividends paid on account of the Reference Assets in the Reference Portfolio represented an annual return of approximately 4.23%, representing an aggregate yield of approximately 12.69% over the term of the 3-year GIC and approximately 21.15% over the term of the 5-year GIC, assuming that the yield remains constant and the dividends are not reinvested.

The Canadian Market Low Volatility GIC is not a conventional fixed income investment, as it does not provide investors with a defined income stream or a return that can be calculated by reference to a fixed or floating rate of interest that is determinable in advance. The following tables demonstrate the hypothetical performance of a fixed-rate GIC compared to the potential performance of the Canadian Market Low Volatility GIC. These tables are included for illustration purposes only, and the rates used for the fixed-rate GICs are hypothetical. No assurance can be given that the Canadian Market Low Volatility GIC will generate a Variable Interest and each product is subject to its own features.

	Hypothetical fixed-rate GICs		
Annual interest	1%	2%	3%
Compound interest at maturity (3 years)	3.54%	7.18%	10.90%
Compound interest at maturity on a \$1,000 investment	\$35.40	\$71.80	\$109.00

3-year GIC	
Minimum Variable Interest at maturity	Variable Interest at maturity*
0%	No maximum
0%	No maximum
\$0	No maximum

	Hypothetical fixed-rate GICs		
Annual interest	2%	3%	4%
Compound interest at maturity (5 years)	10.41%	15.93%	21.67%
Compound interest at maturity on a \$1,000 investment	\$104.08	\$159.27	\$216.65

5-year GIC	
Minimum Variable Interest at maturity	Variable Interest at maturity*
0%	No maximum
0%	No maximum
\$0	No maximum

* Unlike certain other market-linked guaranteed investment certificates based on the performance of an underlying reference portfolio, the Variable Interest will not be subject to a cap. However, any positive Reference Portfolio Return will be multiplied by a Participation Factor which will result in investors receiving less than 100% of such positive Reference Portfolio Return if the Participation Factor is less than 100%.

Adjustments to the Reference Portfolio

In certain cases, it may be necessary for the Calculation Agent to adjust the composition of the Reference Portfolio and calculations to be made under the Canadian Market Low Volatility GIC. Examples of such situations are provided below.

If the calculation or publication of the Reference Index is discontinued and a successor or substitute index is calculated or published (such successor or substitute index being referred to herein as a “Successor Reference Index”) that the Calculation Agent determines, in its sole discretion, to be comparable to the discontinued Reference Index (the “Discontinued Reference Index”), then any subsequent Reference Asset Price for such Discontinued Reference Index will be determined by reference to the level of such Successor Reference Index. If no such successor or substitute index is provided with respect to the Discontinued Reference Index, the Calculation Agent may (i) designate another index to replace the Reference Index (such index being also referred to herein as a “Successor Reference Index”), provided that the Calculation Agent reasonably determines that the Successor Reference Index substantially tracks the market performance of the broad class and market in which the Discontinued Reference Index participated and with adjustments as may be determined by the Calculation Agent, or (ii) consider this as a special circumstances and proceed with a reimbursement under special circumstances. As from this moment, if applicable, any calculation will be based on the price of the Successor Reference Index.

Upon any selection by the Calculation Agent of a Successor Reference Index, the Calculation Agent will cause written notice thereof to be furnished to the holders within a reasonable delay of such selection. If a Successor Reference Index is selected by the Calculation Agent, the Successor Reference Index will be used as a substitute for the Discontinued Reference Index for all purposes, including for purposes of determining whether a market disruption event exists.

If at any time the method of calculation of the Reference Index or a Successor Reference Index, or the level thereof, is changed in a material respect, or if the Reference Index or Successor Reference Index, is in any other way modified so that the Reference Index does not, in the opinion of the Calculation Agent, fairly represent the level of the Reference Index or Successor Reference Index had such changes or modifications not been made, then, for purposes of calculating the Reference Asset Price or making any other determinations as of or after such time, the Bank may (i) ask the Calculation Agent to make such calculations and adjustments as, in the good faith judgment of the Calculation Agent, may be necessary in order to arrive at a value of an index comparable to the Reference Index or Successor Reference Index, as the case may be, as if such changes or modifications had not been made, and calculate the Reference Asset Price with reference to the Reference Index or Successor Reference Index, as adjusted, or (ii) consider this as a special circumstance and proceed with a reimbursement under special circumstances.

In all cases, the Calculation Agent will make all appropriate decisions and adjustments in the best interest of investors.

Examples

The following hypothetical examples are included for illustration purposes only and should not be construed as forecasts or projections. There can be no assurance that the results shown will be achieved.

Hypothetical example of a **positive** Variable Interest

Reference Asset	Reference Asset Initial Value	Reference Asset Price at Average Valuation Date 1 (A)	Reference Asset Price at Average Valuation Date 2 (B)	Reference Asset Price at Average Valuation Date 3 (C)	Reference Asset Final Average Value (A + B + C) / 3	Reference Asset Return	Reference Asset Weight
S&P/TSX Composite Low Volatility Index	410.00	531.00	537.00	533.00	533.67	30.16%	100.00%
Reference Portfolio Return							30.16%
Participation Factor for the 3-year GIC							70.00%
Variable Interest payable at maturity for the 3-year GIC (\$1,000 investment) ($\$1,000.00 \times 30.16\% \times 70.00\%$)							\$211.12
Participation Factor for the 5-year GIC							115.00%
Variable Interest payable at maturity for the 5-year GIC (\$1,000 investment) ($\$1,000.00 \times 30.16\% \times 115.00\%$)							\$346.84

In accordance with the Variable Interest calculation, the Reference Portfolio Return of 30.16% is multiplied by the Participation Factor of 70.00% for the 3-year GIC and 115.00% for the 5-year GIC. The Variable Interest payable at maturity on a \$1,000 investment would be \$211.12 for the 3-year GIC and \$346.84 for the 5-year GIC in the example above, representing an annualized return of approximately 6.59% for the 3-year GIC and 6.14% for the 5-year GIC.

Hypothetical example of a **nil** Variable Interest due to the Average Valuation Dates

Reference Asset	Reference Asset Initial Value	Reference Asset Price at Average Valuation Date 1 (A)	Reference Asset Price at Average Valuation Date 2 (B)	Reference Asset Price at Average Valuation Date 3 (C)	Reference Asset Final Average Value (A + B + C) / 3	Reference Asset Return	Reference Asset Weight
S&P/TSX Composite Low Volatility Index	410.00	381.74	401.22	424.36	402.44	-1.84%	100.00%
Reference Portfolio Return							-1.84%
Variable Interest payable at maturity (\$1,000 investment)							\$0.00

Since the Reference Portfolio Return is negative, no Variable Interest would be payable at maturity in the example above.

Hypothetical example of a **nil** Variable Interest

Reference Asset	Reference Asset Initial Value	Reference Asset Price at Average Valuation Date 1 (A)	Reference Asset Price at Average Valuation Date 2 (B)	Reference Asset Price at Average Valuation Date 3 (C)	Reference Asset Final Average Value (A + B + C) / 3	Reference Asset Return	Reference Asset Weight
S&P/TSX Composite Low Volatility Index	410.00	380.00	382.00	370.00	377.33	-7.97%	100.00%
Reference Portfolio Return							-7.97%
Variable Interest payable at maturity (\$1,000 investment)							\$0.00

Since the Reference Portfolio Return is negative, no Variable Interest would be payable at maturity in the example above.

SUITABILITY CONSIDERATIONS AND GUIDELINES

An investment in the Canadian Market Low Volatility GIC is not suitable for all investors and even if suitable, investors should consider what part the Canadian Market Low Volatility GIC should serve in an overall investment plan.

The Canadian Market Low Volatility GIC is not a conventional fixed income investment, as it does not provide investors with a defined income stream or a return that can be calculated by reference to a fixed or floating rate of interest that is determinable in advance.

The Variable Interest of the Canadian Market Low Volatility GIC (if any), unlike the return on conventional fixed income investments offered by Canadian banks, is uncertain in that if the Reference Portfolio does not generate a positive price return over the term of the Canadian Market Low Volatility GIC, the Canadian Market Low Volatility GIC will produce no Variable Interest on the investor's principal invested on the Issue Date. In addition, any positive Reference Portfolio Return will be multiplied by a Participation Factor which will result in an investor receiving less than 100% of such positive Reference Portfolio Return if the Participation Factor is less than 100%. There is no assurance that the Reference Portfolio will be able to avoid losses prior to maturity or generate a positive price return over the term of the Canadian Market Low Volatility GIC. Therefore, there is no assurance that an investor will receive, at maturity, any amount other than the repayment of the principal invested on the Issue Date. Your principal invested on the Issue Date will be repaid only if the Canadian Market Low Volatility GIC is held to maturity. Moreover, the value of an investment in the Canadian Market Low Volatility GIC may diminish over time owing to inflation and other factors that adversely affect the present value of future payments.

The performance of the Reference Assets will ultimately determine the Reference Portfolio Return and thus, the Variable Interest. Each investor should make its own investigation, have an understanding and form its own view on each of the Reference Assets. Neither the Bank nor any of its affiliates make any representation or express a view on the merits of the Reference Assets for the purposes of the investment.

The Canadian Market Low Volatility GIC is designed for investors who:

- Seek the protection at maturity of a guaranteed investment certificate combined with the return potential of the market;
- Seek to diversify their portfolio across different sectors in the Canadian market through large market capitalization companies;
- Have an investment horizon of at least three years for the 3-year GIC and five years for the 5-year GIC and who are prepared to hold the Canadian Market Low Volatility GIC until maturity;
- Do not need or do not expect certainty of return and can accept seeing the value of their investment in the Canadian Market Low Volatility diminish over time due to inflation;
- Are prepared to assume the risks associated with the Canadian Market Low Volatility GIC, including a return tied to the performance of the Reference Portfolio;
- In order to benefit from the Canadian Market Low Volatility GIC structure and capital protection at maturity, are prepared to waive the aggregate dividend and/or distribution yield provided by the issuers or constituents of the Reference Assets over the term of the Canadian Market Low Volatility GIC to maturity, on the assumption that the dividend and/or distribution yield remains constant and that the dividends and/or distributions are not reinvested;
- Are prepared to assume the risk that, at maturity, they may receive only the repayment of the principal invested on the Issue Date;
- Are prepared to receive a return less than the full return of the Reference Portfolio, if applicable; and
- Are willing to renounce the guaranteed return of a fixed rate GIC for the potential to earn a higher market-linked return.

RISK FACTORS

An investment in the Canadian Market Low Volatility GIC is not without risk. An investment in the Canadian Market Low Volatility GIC is subject to certain risks that investors should carefully examine before purchasing the Canadian Market Low Volatility GIC, including the following factors. **Prospective investors that are not prepared to accept the following risks should not invest in the Canadian Market Low Volatility GIC.**

Suitability for investment: Canadian Market Low Volatility GIC may not be a suitable investment for some investors. An investor should reach a decision to invest in the Canadian Market Low Volatility GIC after carefully considering, in conjunction with his or her advisor or otherwise, the suitability of the Canadian Market Low Volatility GIC in light of his or her investment objectives and the other information set out in this document.

Uncertain return until maturity; the Canadian Market Low Volatility GIC is linked to the price return of the Reference Portfolio. The Variable Interest, if any, on the Canadian Market Low Volatility GIC will not be known until the Maturity Date. There can be no assurance that the Canadian Market Low Volatility GIC will post a positive Variable Interest. The Canadian Market Low Volatility GIC is linked to the price return of the Reference Assets in the Reference Portfolio. There is, moreover, no guarantee that, at maturity, the price of such Reference Assets will have appreciated since the Issue Date.

The Reference Portfolio Return does not reflect the full performance of the Reference Portfolio that could be realized if investors held the Reference Assets directly. The Variable Interest will not reflect the return that could be realized if an investor actually owned the Reference Assets included in the Reference Portfolio and held such investment for a similar period. Any positive Reference Portfolio Return will be multiplied by a Participation Factor which will result in an investor receiving less than 100% of such positive Reference Portfolio Return if the Participation Factor is less than 100%. Therefore, the Variable Interest may be less than the corresponding Reference Portfolio Return at maturity and the difference between such corresponding Reference Portfolio Return and such Variable Interest may be significant.

The return of the Reference Assets will not reflect the full appreciation in the Reference Assets when including other distributions. The return of the Reference Assets used to calculate the Reference Portfolio Return is a price return and will not reflect the payment of dividends and other distributions on the constituents of the Reference Assets. 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 constituents of the Reference Assets were purchased directly and held for the same period. As of July 17, 2019, the dividends and/or distributions paid by the issuers or constituents of the Reference Assets in the Reference Portfolio represented an annual return of approximately 4.23%.

The Reference Portfolio Return may be affected by using the Reference Asset Final Average Value and may result in a lower Variable Interest than if the Reference Portfolio Return had only used the Reference Asset Price of each Reference Asset on the last valuation date. In order to reduce the impact of the market instability, the Reference Portfolio Return is calculated using the Reference Asset Final Average Value which is an average of the Reference Asset Price determined on each of the Average Valuation Dates. Had the Reference Portfolio Return been calculated otherwise, for instance, where only one Reference Asset Price is determined on one valuation date, the Reference Portfolio Return may have been higher and as a result, generate a higher Variable Interest.

Adjustments to the Reference Portfolio may have an impact on the Variable Interest. The composition of the Reference Portfolio may be subject to changes and adjustments as described herein. Such changes or adjustments will have an impact on the arithmetic average of the Reference Asset Return and, consequently, the Variable Interest.

Payments at maturity of the Variable Interest, if any, and the principal invested on the Issue Date are unsubordinated and unsecured obligations of the Bank and are dependent on the creditworthiness of the Bank. Because the obligation to make payments to investors of the GIC is incumbent upon the Bank, the likelihood that such investors will receive the payments owing to them in connection with the Canadian Market Low Volatility GIC, including the principal invested on the Issue Date, will be dependent upon the financial health and creditworthiness of the Bank.

No independent calculations; conflict of interest. The Bank, as Calculation Agent, will be solely responsible for calculating the Reference Portfolio Return, the Variable Interest payable at maturity and any other determination and calculation with respect to any payment in connection with the Canadian Market Low Volatility GIC. The Calculation Agent will also be solely responsible for determining whether a market disruption or extraordinary event has occurred and for making certain other determinations with regard to the Canadian Market Low Volatility GIC and the Reference Portfolio. No calculation agent other than the Bank or an affiliate will be retained to make or confirm the determinations and calculations made by the Calculation Agent.

The Bank, as Calculation Agent, may have economic interests that differ from and may be adverse to those of the Canadian Market Low Volatility GIC investors, including with respect to certain determinations that the Calculation Agent must make in connection with the amounts owing by the Bank under the terms and conditions of the Canadian Market Low Volatility GIC.

In addition, the Bank and its affiliates may engage in trading activities that are neither on behalf of Canadian Market Low Volatility GIC investors nor on their own behalf. These trading activities may present a conflict between the interests of Canadian Market Low Volatility GIC investors and the interests that the Bank and/or its affiliates have in their proprietary accounts in facilitating transactions, including block trades and other derivatives transactions, for their clients and in accounts under their management. These trading activities, if they influence the value of the Canadian Market Low Volatility GIC, could be adverse to the interests of Canadian Market Low Volatility GIC investors. The Bank and its affiliates may, at present or in the future, engage in business with issuers of Reference Assets or constituents thereof comprising the Reference Portfolio, including by granting loans and providing advisory services to such entities. These services could include investment banking services, merger and acquisition services and advisory services. These activities may present a conflict between the obligations of the Bank and its

affiliates and the interests of Canadian Market Low Volatility GIC investors. Moreover, subsidiaries of the Bank may have published research reports, and in the future are likely to publish research reports on all or part of the issuers of the Reference Assets or constituents thereof comprising the Reference Portfolio. Such research may be modified without notice and represent opinions or recommendations that are inconsistent with purchasing or holding the Canadian Market Low Volatility GIC. Any of these activities of the Bank or its affiliates may affect the price of the Reference Assets comprising the Reference Portfolio and, consequently, the value of Canadian Market Low Volatility GIC and the interest payable thereon.

Hedging transactions could have an impact on the Reference Portfolio. No later than the date of maturity, the Bank and the members of its group may hedge all or part of the Bank's anticipated exposure in connection with the Canadian Market Low Volatility GIC by purchasing and selling Reference Asset and/or exchange-traded and/or over-the-counter options on any of the Reference Assets comprising the Reference Portfolio and/or futures or futures contracts or by taking positions in any other instruments they may wish to use in connection with hedging. The Bank and its affiliates may also modify a hedge position throughout the term of the Canadian Market Low Volatility GIC, including on an Average Valuation Date. The Bank and its affiliates may also from time to time buy or sell Reference Assets comprising the Reference Portfolio or derivatives related to such Reference Assets in connection with their normal business practices. Although the Bank does not believe that such activities will have a material impact on the price of these options, Reference Assets, futures or futures contracts or on the price or level of Reference Assets comprising the Reference Portfolio, there is no assurance that the Bank or its affiliates will have no impact on the price or level of Reference Assets or on the value of the Reference Portfolio of the Canadian Market Low Volatility GIC as a result of such activities. It is possible that the Bank could receive substantial returns or incur substantial losses from these activities while the market value of Canadian Market Low Volatility GIC or the value of the Reference Portfolio declines.

The Canadian Market Low Volatility GIC could be redeemed prior to maturity under a reimbursement under special circumstances. If a special circumstance (as defined in this document) occurs, the Bank may redeem the Canadian Market Low Volatility GIC before their maturity pursuant to a reimbursement under special circumstances. Upon the occurrence of a special circumstance where the Bank decides to reimburse the Canadian Market Low Volatility GIC, the Calculation Agent will establish a value for the Canadian Market Low Volatility GIC, acting in good faith in accordance with market-accepted methods, based on a number of interrelated factors, such as the appreciation and volatility of the Reference Assets, interest rates and the time remaining to maturity. Such value will be the reimbursement amount, and will not be less than the principal invested on the Issue Date. Under such circumstances, the investor will not be able to participate fully in the increase in the Reference Portfolio that might have occurred up to the payment date pursuant to a reimbursement under special circumstances. Investors may only be entitled to receive their principal invested on the Issue Date.

The occurrence of a market disruption event could postpone any of the Average Valuation Dates, which may affect the payment at maturity. The occurrence of a market disruption event with respect to a Reference Asset, as determined by the Calculation Agent acting in good faith, could lead to a postponement of any of the Average Valuation Dates in respect of the affected Reference Asset up to a maximum of five Business Days, after which the Calculation Agent will use a value for the affected asset established in good faith according to market-accepted practices. If there is a postponement of one of the Average Valuation Dates in respect of a Reference Asset of the Reference Portfolio owing to the occurrence of a market disruption event or the absence of a closing price for any such Reference Asset on such day or the primary exchange for any such Reference Asset being closed on such date, the interest that would be payable to an investor at maturity could be substantially lower than the interest that would have been otherwise payable at maturity had the Average Valuation Date not been postponed.

Risk factors relating to the Reference Assets in the Reference Portfolio.

Certain risk factors applicable to investors who invest directly in the Reference Assets comprising the Reference Portfolio of the Canadian Market Low Volatility GIC may apply indirectly to an investment in a Canadian Market Low Volatility GIC to the extent that those risk factors could indirectly adversely affect the Reference Portfolio Return and, consequently, the potential Variable Interest of the Canadian Market Low Volatility GIC. Some of these risk factors are described below:

Risk factors relating to equities. The constituents of the Reference Index are equity securities. As a result, investors 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 Index.

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

Potential modifications of the Reference Index may adversely affect the value of the Canadian Market Low Volatility GIC. The Reference Index may be discontinued or replaced with a Successor Reference Index. Although the Calculation Agent may make certain determinations in certain special circumstances to ensure that a Successor Reference Index is designated, information regarding certain substitute indices may not be readily available to holders. Moreover, the return generated on such Successor Reference Index may not be as favourable as the return that would have been generated by the Discontinued Reference Index if it had not been discontinued or replaced.

Adjustments to the Reference Index could adversely affect the value of the Canadian Market Low Volatility GIC. The Bank is not responsible for calculating and maintaining the Reference Index which is maintained by a third party. Such third party can add, delete or substitute the securities, contracts or other components underlying the Reference Index or make other methodological changes that could change the value of the Reference Index. Any of these actions could adversely affect the value of the Canadian Market Low Volatility.

Neither the Bank nor the Agent make any representation or warranty as to the accuracy or completeness of the information regarding the Reference Assets. All information regarding the Reference Assets and provider thereof contained in this Information Statement will be obtained from publicly available information, without independent verification. Neither the Bank nor the Agent make any representation or warranty as to the accuracy or completeness of such information. Each holder, as an investor in the Canadian Market Low Volatility GIC, should make its own investigation regarding the Reference Assets and provider thereof. The Bank and/or its affiliates are not affiliated with the Reference Assets or provider and have no ability to control or predict the actions of such entities. Such entities will not be involved in the offering of the Canadian Market Low Volatility GIC in any way and have no obligation to consider any interests as an owner of the Canadian Market Low Volatility GIC in taking any actions that might affect the value of the Canadian Market Low Volatility GIC.

No ownership interest in the Reference Assets. An investment in the Canadian Market Low Volatility GIC does not constitute an investment in the Reference Assets included in the Reference Portfolio. An investor will not be a beneficial owner of the Reference Assets during the term of the Canadian Market Low Volatility GIC and therefore will not be entitled to receive any dividends or similar amounts paid on the Reference Assets, nor will the investor be entitled to any recourse to the Reference Assets to satisfy amounts owing under the Canadian Market Low Volatility GIC or to acquire Reference Assets by virtue of their ownership of the Canadian Market Low Volatility GIC. Moreover, an investor will not be entitled to any voting rights or to other control rights that holders of Reference Shares may have.

USE OF THE REFERENCE ASSET

S&P® is a registered trademark of Standard & Poor's Financial Services LLC ("S&P"), Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"), and TSX is a trademark of the TSX, Inc. This trademark has been licensed for use by S&P Dow Jones Indices LLC and sublicensed for certain purposes by the Bank. The S&P/TSX Composite Low Volatility Index is a product of S&P Dow Jones Indices LLC, its affiliates and/or its third party licensors and has been licensed for use by the Bank.

The Canadian Market Low Volatility GIC is not sponsored, endorsed, sold or promoted by S&P Dow Jones Indices LLC, Dow Jones, S&P, TSX, any of their respective affiliates (collectively, "S&P Dow Jones Indices") or their third party licensors. Neither S&P Dow Jones Indices nor their third party licensors make any representation or warranty, express or implied, to the owners of the Canadian Market Low Volatility GIC or any member of the public regarding the advisability of investing in securities generally or in the Canadian Market Low Volatility GIC particularly or the ability of the Reference Index to track general market performance. S&P Dow Jones Indices and their third party licensor's only relationship to the Bank with respect to the Reference Index is the licensing of the Reference Index and certain trademarks, service marks and/or trade names of S&P Dow Jones Indices and/or its third party licensors. The Reference Index is determined, composed and calculated by S&P Dow Jones Indices without regard to the Bank or the Canadian Market Low Volatility GIC. S&P Dow Jones Indices and their third party licensors have no obligation to take the needs of the Bank or the owners of the Canadian Market Low Volatility GIC into consideration in determining, composing or calculating the Reference Index. Neither S&P Dow Jones Indices nor their third party licensors are responsible for and have not participated in the determination of the prices and amount of the Canadian Market Low Volatility GIC or the timing of the issuance or sale of the Canadian Market Low Volatility GIC or in the determination or calculation of the equation by which the Canadian Market Low Volatility GIC is to be converted into cash. S&P Dow Jones Indices and their third party licensors have no obligation or liability in connection with the administration, marketing or trading of the Canadian Market Low Volatility GIC. There is no assurance that investment products based on the Reference Index will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC and its subsidiaries are not investment advisors. Inclusion of a security within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice.

NEITHER S&P DOW JONES INDICES NOR THEIR THIRD PARTY LICENSORS GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THE REFERENCE INDEX OR ANY DATA INCLUDED THEREIN OR ANY COMMUNICATION, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATION (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&P DOW JONES INDICES AND THEIR THIRD PARTY LICENSORS SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS OR DELAYS THEREIN. S&P DOW JONES INDICES AND THEIR THIRD PARTY LICENSOR MAKE NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO RESULTS TO BE OBTAINED BY THE BANK, OWNERS OF THE CANADIAN MARKET LOW VOLATILITY GIC, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE REFERENCE INDEX OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P DOW JONES INDICES OR THIRD PARTY LICENSORS BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE. THERE ARE NO THIRD PARTY BENEFICIARIES OR ANY AGREEMENTS OR ARRANGEMENTS BETWEEN S&P DOW JONES INDICES AND THE BANK, OTHER THAN THE LICENSORS OF S&P DOW JONES INDICES.

GENERAL CONDITIONS OF THE INVESTMENT

MARKET-LINKED GUARANTEED INVESTMENT CERTIFICATE (the market-linked GICs) INFORMATION STATEMENT DATED JULY 25, 2019

This Information Statement should be completed with any other form required by the Bank or its affiliates.

1. The initial principal amount and the guaranteed interest (if any) are fully guaranteed at maturity by the Bank. The initial principal amount will be invested on the Issue Date (the “principal invested on the Issue Date”).
2. The Calculation Agent will be National Bank of Canada.

The Calculation Agent is responsible for all calculations and decisions concerning the market-linked GIC; it will calculate the interest payable at maturity, the variation of the applicable underlying asset value on the Issue Date and the Average Valuation Dates and will determine if a market disruption or an extraordinary event has occurred. All the Calculation Agent’s decisions will bind the investors of the market-linked GIC. The Calculation Agent will act in good faith in accordance with accepted market practices.
3. A market-linked GIC issued by the Bank that is payable in Canada in Canadian dollars and has a term no longer than five years is insured by the Canada Deposit Insurance Corporation (CDIC), subject to the maximum dollar limit of CDIC coverage and applicable conditions. More information about CDIC deposit insurance can be found in the “Protecting Your Deposits” brochure, available online at www.cdic.ca or by telephone at 1-800-461-2342.
4. A minimum investment of \$500 is required for any investment in a market-linked GIC. The Bank reserves the right to discontinue accepting subscriptions at any time without notice. The Bank or National Bank Investments Inc. (the “Agent”), may in its sole discretion, at any time prior to the Issue Date, elect whether or not to proceed in whole or in part with the issue of a market-linked GIC. If for any reason the closing of this offering does not occur, any unaccepted initial principal amount will be returned to investors, without interest or charge. Moreover, the Bank may, in its sole discretion, postpone the Issue Date to a later date within thirty days following the Issue Date specified in this Information Statement. In such case, the Maturity Date will be adjusted in order to correspond to the end of the term following the market-linked GIC’s Issue Date.
5. The investment is in Canadian dollars. The principal invested on the Issue Date and interest, if any, will be repaid in Canadian dollars.
6. The Bank has entered into an agency agreement with the Agent pursuant to which the Agent has agreed to offer market-linked GICs for sale on a best efforts basis. The Agent is a wholly owned subsidiary of the Bank.
7. The Market-linked GICs are offered only in the provinces and territories in Canada where permitted by law. Market-linked GICs may be subject to other restrictions in a given province or territory.
8. The Market-linked GICs are not transferable or redeemable by the investor prior to their Maturity Date, except in case of death. In such event, the investor’s successor shall either (i) proceed with a redemption and receive an amount equal to the principal invested on the Issue Date and, if applicable, the unpaid accrued portion of the guaranteed interest, as calculated by the Calculation Agent, on the date the Bank processes the redemption request or (ii) proceed with a transfer of the market-linked GIC by contacting a branch representative.
9. Principal invested on the Issue Date and Variable Interest, if any, will be repaid on the Maturity Date of this investment or the payment date of the guaranteed interest, if any, during the Bank’s regular business hours.
10. Before the Maturity Date of the market-linked GIC and in accordance with the conditions set forth in the contract between the investor and his advisor or broker, it is the investor’s responsibility to give the relevant instructions to his advisor or broker with respect to the reinvestment, at maturity, of the principal invested on the Issue Date (together with the Variable Interest, if any). If the investor has not provided the Bank with instructions regarding the payment of those amounts payable following the Maturity Date, amounts owed pursuant to the market-linked GIC will be transferred into the Altamira High-Interest CashPerformer® account at no charge to the investor.
11. Variable Interest on a market-linked GIC is based on variation of the value of the underlying asset, including, without limitation, a Reference Index, Reference Share, Reference Unit or Reference Portfolio. Such underlying asset value may fluctuate up or down. These fluctuations will have a direct impact on the returns of market-linked GICs. **The return of the underlying asset could therefore be nil; in this case, no interest (other than the guaranteed interest, if any) would be paid.**
12. The rate of return at maturity or at any other specified time period is not an annual interest rate, unless otherwise specified.
13. It is possible that a disruption in the financial markets, a change in the calculation or publication of the underlying asset or any other event beyond the control of the Bank, may occur and affect the ability of the Calculation Agent to calculate the return or to fulfill any other obligation. In such case, the Bank may not comply with the general and specific conditions of the market-linked GIC and in such case, the Calculation Agent may take any measures deemed necessary, including, without limitation, an adjustment of the amount payable before or at maturity of the market-linked GIC, deferral of the calculation or payment of the return, a different determination of the return or the use of a replacement underlying asset. The Calculation Agent will be solely responsible for determining and calculating the return of the applicable underlying asset. The Calculation Agent will also decide whether a market disruption event has occurred and make any other decisions

For the 3-Year GIC: Product Code: NBC11556
For the 5-Year GIC: Product Code: NBC11523

Issue Date: September 18, 2019
Issue Date: September 18, 2019

Maturity Date: September 16, 2022
Maturity Date: September 17, 2024

necessary with regard to the market-linked GICs. All the decisions and calculations made by the Calculation Agent are in its sole discretion and, except for obvious errors, are final and binding. A “market disruption event” means, with respect to an underlying asset, 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 will have a material adverse effect on the ability of the Bank generally to place, maintain or modify hedge positions in respect of any underlying asset or the market-linked GICs. A market disruption event may include, without limitation, a suspension, absence or material limitation of trading or subscription, a regulatory change or any event having a material adverse effect on the financial markets.

14. If a special circumstance (as defined below) occurs, the Bank may redeem the market-linked GICs before their maturity pursuant to a reimbursement under special circumstances. Upon the occurrence of a special circumstance where the Bank decides to reimburse the market-linked GICs, the Calculation Agent will establish a value for the market-linked GICs, acting in good faith in accordance with market-accepted methods, based on a number of interrelated factors, such as the appreciation and volatility of the underlying asset and the time remaining to maturity. Such value will be the reimbursement amount, and will not be less than the principal invested on the Issue Date and if applicable, the accrued portion of the guaranteed interest. Under such circumstances, the investor will not be able to participate fully in the increase of the underlying asset that might have occurred up to the payment date pursuant to a reimbursement under special circumstances. Investors may only be entitled to receive their principal invested on the Issue Date and if applicable, the accrued portion of the guaranteed interest. A “special circumstance” means a circumstance of a taxation nature where, in the opinion of the Bank, acting reasonably and in good faith, an amendment or a change is made to an act, regulation, policy, taxation practice or administration or to the interpretation of an act, regulation, policy, taxation practice policy or taxation administration which would make it illegal or, from the Bank’s perspective, disadvantageous from a legislative, regulatory or financial point of view, for the market-linked GIC to remain outstanding.
15. There is no assurance that an investment in the market-linked GIC will be eligible for protection under the Canadian Investor Protection Fund (CIPF). An investor should take the necessary steps in order to verify the product’s eligibility with respect to the protection under the CIPF and, where applicable, consult with his or her investment advisor as to whether the investor’s investment in the market-linked GIC is eligible for protection in light of such investor’s particular circumstances.
16. The Bank will pay to the Agent a selling fee of up to 1.65% of the principal invested with respect to the 3-Year GIC on the Issue Date and a selling fee of up to 2.75% of the principal invested with respect to the 5-Year GIC on the Issue Date, sold under the offering. The selling fee will be paid out of the Bank’s own funds. Accordingly, the payment of this fee will not affect the performance of the market-linked GIC. For greater certainty, the pricing of the market-linked GIC will factor in such selling fee and the Bank’s cost of hedging its obligations under the market-linked GIC.
17. Investors shall be 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 market-linked GIC is entered into, and (ii) the day on which this Information Statement is provided to the purchaser.

The agreement to purchase the market-linked GIC 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 investor and (b) the day on which the order to purchase is received.

Investors 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.

Upon cancellation of the purchase of the market-linked GIC, the purchaser will be entitled to a refund of the principal invested on the Issue Date. To exercise their right of cancellation, the investor may contact their branch advisor or their broker with whom their account is held.

18. All information regarding the market-linked GIC is available in the section Investment Solutions, on the website www.nbcstructuredolutions.ca, by contacting your branch advisor, by calling 1-888-4-TELNAT or by contacting an investment service representative from National Bank Direct Brokerage at 514-866-6755 or 1-800-363-3511.

Investors should be aware that the information that will be appearing on their periodical investment account statements, on the website and/or any other communication related to the market-linked GIC, must not under any circumstances, be considered as a statement of the value of the investor’s market-linked GIC before the Maturity Date. Such information may include, but is not limited to the estimated price and the return of the applicable underlying asset of the market-linked GIC. The rate of return and therefore the Variable Interest payable are only determined on the Maturity Date of the market-linked GIC. For greater certainty and subject to the conditions specific to the investment, the estimated price would be the price payable on the Maturity Date should the date of the estimated price be the Maturity Date. As the principal invested on the Issue Date is guaranteed at maturity, such mention of the estimated price will never be below the principal invested on the Issue Date, even if the return of the underlying asset is negative.

19. The terms of the market-linked GICs may be amended by the Bank without the consent of the investors if, in the reasonable opinion of the Bank, the amendment would not materially and adversely affect the interest of the investors. In all other cases, the Bank will provide investors a notice of the amendment prior to making the amendment or without delay after the amendment is made.

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20. The Bank will give notice to the holders of any material events relating to the market-linked GICs, including any amendments to the market-linked GICs that impacts interest payable under the market-linked GICs. All notices to the investors will be validly given once published on the website www.nbcstructuredsolutions.ca.
 21. In this document, “Business Day” means every 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 and every day that the Toronto Stock Exchange is open for business.
 22. Market-linked GICs will not be listed on any stock exchange or other market and no secondary market will be established to sell market-linked GICs.
 23. Funds delivered to the Bank prior to the Issue Date will be held in escrow pending closing of the offering of the market-linked GICs. A purchaser of market-linked GICs will receive from the Bank credit for interest accruing on funds so delivered at a rate of 0.25% per annum from and including the first Business Day after such funds are received by the Bank to but excluding the Issue Date. For the avoidance of doubt, such interest will not be payable in cash but will be added to the principal invested on the Issue Date. Despite delivery of such funds, the Bank reserves the right not to accept any offer to purchase market-linked GICs, in whole or in part. If a subscription for market-linked GICs is not accepted (in whole or in part) or market-linked GICs are not issued to the investors for any reason, such funds will be returned forthwith to the investor. In such case and notwithstanding the foregoing, no interest or other compensation will be paid to the investor on such funds.
 24. Notwithstanding the foregoing, no interest or any other amount will be paid during the selling period.
 25. Federal laws of Canada prohibit anyone from charging or receiving interest or other amounts for the advancing of credit at effective rates in excess of 60% per annum. Therefore, when any payment is to be made by the Bank to an investor at the Maturity Date, payment of a portion of such payment constituting a variable return that would exceed 60% per annum may be deferred to ensure compliance with such laws. The Bank will pay any portion so deferred to the investor together with interest at the Bank’s equivalent term deposit rate as soon as Canadian law permits. In addition, the Bank may withhold a portion of any payment to an investor that the Bank is legally able or required to withhold.

Investors should be aware that market-linked GICs are not securities issued by a mutual fund and that investors 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 current information documents provided by issuers, right of rescission and certain other rights to rescind a purchase, revise the purchase price or seek damages in case documents show false or misleading information. However, investors will receive a copy of this document, which grants investors in certain circumstances a contractual right of rescission described herein.

TAX CONSIDERATIONS

To the persons concerned:

The following is a summary of the principal federal income tax implications in Canada that generally apply to individuals (other than trusts) who purchase the market-linked GIC from the Bank who, at all times, for the purposes of the *Income Tax Act* (Canada) (the "Act") are residents of Canada, and who hold the market-linked GIC until maturity outside of a registered savings plan (such as a Registered Retirement Savings Plan, a Registered Retirement Income Fund, a Registered Education Savings Plan, a Registered Disability Savings Plan, a Tax-free Savings Account or a Deferred Profit Sharing Plan). The information provided below is based on the provisions of the Act and the regulations thereunder ("Regulations") in effect on the date that this summary was drafted, all specific proposed amendments to the Act and its Regulations as publicly announced by the Minister of Finance prior to the date on which this summary was drafted, and certain administrative policies and practices of the Canada Revenue Agency. Provincial and foreign tax considerations have not been addressed in this document and may differ from the federal income tax consequences discussed herein.

This summary is of a general nature; it is not exhaustive of all Canadian federal income tax considerations and does not constitute legal or tax advice to investors. No advice is provided concerning the Canadian federal income tax on the specific situation of a particular investor.

Please consult your tax specialist with respect to your situation.

Inclusion in income:

A Canadian resident investor will be required to include the full amount of interest accrued on the funds delivered prior the Issue Date in the investor's income in computing its income for the taxation year of the investor that includes the Issue Date for purposes of the Act.

In certain circumstances, provisions of the Act can deem interest to accrue on a "prescribed debt obligation" (as defined for purposes of the Act), which includes a market-linked GIC. Based on an understanding of the Canada Revenue Agency's administrative policies and assessing practices, there should be no deemed accrual of interest on the market-linked GIC, other than the interest in respect of the guaranteed minimum interest, under these provisions prior to the date on which the Variable Interest becomes calculable.

In the case of investments in a market-linked GIC with a guaranteed minimum rate, an investor must include in computing his or her income annually the amount that is paid in respect of the guaranteed minimum rate on the market-linked GIC or, if the guaranteed minimum rate is not paid in the year, the amount that is accrued, or deemed to accrue in respect of a particular year, up to and including each anniversary of the issuance of such market-linked GIC occurring during the particular year. The amount by which the final value of the investment that is determined at the maturity of the market-linked GIC exceeds the total of the principal amount of the market-linked GIC and the minimum rate that has not already been included in the calculation of the investor's income for the previous years will be included in the investor's income for the taxation year in which the date of maturity of the market-linked GIC falls.

In the case of investments in a market-linked GIC without a guaranteed minimum rate, investors are generally not required to add an amount to their income with respect to the market-linked GIC for a particular year until the final investment value has been determined at maturity. At maturity, if the investor receives interest, he must include this interest in his income. If there is a disposition or deemed disposition of a market-linked GIC, an investor may be deemed to receive interest on the market-linked GIC in the taxation year in which the disposition or deemed disposition occurs.

Information concerning registered plans. Based on the legislation in effect on the date hereof, the market-linked GICs will, at the Issue Date, be qualified investments under the 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 Act) and tax-free savings accounts ("TFSA"). If the market-linked GICs are "prohibited investments" (within the meaning of the 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 Act. The market-linked GICs will be "prohibited investments" (within the meaning of the Act) for an RRSP, RRIF, RESP, RDSP or TFSA belonging to a Plan Holder who has a "significant interest" (as defined in the Act) in the Bank or who does not deal at arm's length with the Bank for the purposes of the Act. Investors should consult their own tax advisors in this regard.