

NBC Optimarket™ GIC

NBC Canadian Market Low Volatility Flex GIC

Series 22F, Advisors Category¹

SALES PERIOD:

September 25, 2019 to October 9, 2019

ISSUANCE DATE:

On October 16, 2019

VALUATION DATE:

On April 7, 2022

MATURITY DATE:

On April 14, 2022

INVESTMENT HIGHLIGHTS:

- Term: 2.5 years
- Minimum Investment: \$1,000
- 100% principal protected at maturity
- Participation Factor: 100.00%
- Eligible for the CDIC deposit insurance²
- Eligible for all types of accounts (RRSP, RRIF, DPSP, RESP, RDSP and TFSA)
- No secondary market
- Can be sold back to the Bank on a daily basis subject to normal market conditions. An investor who sells back the Deposit to the Bank prior to maturity may receive less than the Principal Amount per Deposit.

The Deposit offers the growth potential linked to the performance of the S&P/TSX Composite Low Volatility Index all while ensuring 100% principal protection at maturity.

The Variable Return, if any, is calculated at maturity based on the price return of the S&P/TSX Composite Low Volatility Index multiplied by the Participation Factor of 100.00% (please refer to page 2 for more details on the Variable Return calculation).

The Deposits are not conventional fixed income investments. There are risks associated with this investment (see page 4 for details). Investors should read the Information Statement dated September 24, 2019 (hereafter the "Information Statement") for more detailed risk disclosure and complete information on the Deposits. Where an investor purchases Deposits, by phone or in person, the advisor must at the time verbally highlight certain information in respect of the Deposits contained under the document entitled "Oral Disclosure for Sales in Person or by Telephone".



→ Should you have any questions, do not hesitate to contact us.

FUNDSERV CODE: NBC26757

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Client Summary dated September 24, 2019

Suitability Considerations and Guidelines

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

- you are seeking protection of your capital at maturity;
- you are seeking the potential for higher returns in a low interest rate environment;
- you have a medium-term investment horizon and are prepared to hold the Deposits to maturity;
- you do not need or do not expect certainty of return and can accept seeing the value of your investment in the Deposits diminish over time due to inflation;
- you are looking to participate in the growth potential of a portfolio composed of the Reference Asset;
- you are prepared to assume the risks as described in the “Risk Factors” section in the Information Statement;
- you are looking to diversify your portfolio across different sectors in the Canadian market through large market capitalization companies; and
- in order to benefit from the Deposit structure and capital protection at maturity, you are prepared to waive the aggregate dividend and/or distribution yield provided by the issuers or constituents of the Reference Asset over the term of the Deposits to maturity, on the assumption that the dividend and/or distribution yield remains constant and that the dividends and/or distributions are not reinvested.

The Deposits have certain investment characteristics that differ from those of conventional fixed income investments in that they may not provide you with a return or income stream prior to maturity, or a return at maturity, calculated by reference to a fixed or floating rate of interest that is determinable prior to maturity. The return on the Deposits, unlike the return on many deposit liabilities of Canadian chartered banks, is uncertain in that if the Reference Portfolio does not generate a positive return, the Deposits will produce no return on your original investment.

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 ⁴	SPTXLVPR	S&P Dow Jones Indices LLC	Closing level	Index	100%

Return of your Deposits

Payment at maturity of your Deposits will be linked to the price performance of the Reference Asset included in the Reference Portfolio. The Deposits will have a principal amount of \$100 each (the “Principal Amount”).

The Deposits aim to repay you on the Maturity Payment Date your Principal Amount and provide you with a Variable Return if the Reference Portfolio Return is positive on the Valuation Date.

- **Maturity Redemption Payment:** An amount per Deposit to which you are entitled on the Maturity Date based on the performance of the Reference Portfolio which is equal to your Principal Amount x (1 + Variable Return).
- **Variable Return:** means a percentage equal to the product of:
 - (i) the Reference Portfolio Return on the Valuation Date; and
 - (ii) the Participation Factor, subject to a minimum of zero
- **Participation Factor:** means 100.00%
- **Reference Portfolio Return:** On any day, the sum of the Weighted Reference Asset Return of each Reference Asset comprising the Reference Portfolio.
- **Weighted Reference Asset Return:** For each Reference Asset contained in the Reference Portfolio and on any day, the product of (i) the Reference Asset Return and (ii) the Reference Asset Weight.
- **Reference Asset Weight:** The weight of each Reference Asset comprising the Reference Portfolio.
- **Reference Asset Return:** For each Reference Asset contained in the Reference Portfolio and on any day, a number, which may be positive or negative, expressed as a percentage, calculated as follows: (Closing Level on such day / Closing Level on the Issuance Date) - 1.
- **Closing Level:** means, on any day, the closing price, the closing level or the official net asset value, as applicable, and reported and/or published by the applicable Price Source as specified in the table under “Reference Portfolio”. If there is no closing price, no closing level or no official net asset value, as applicable, reported or published on that day, then the Closing Level will be the closing price, the closing level or the official net asset value, as applicable, on the immediately preceding day on which such closing price, closing level or official net asset value is reported or published by the applicable Price Source (except if this occurs on the Issuance Date or on the Valuation Date, in which case the closing price, the closing level or the official net asset value, as applicable, on the immediately following day on which such closing price, closing level or official net asset value is reported or published by the applicable Price Source will be used, subject to the provisions under “Extraordinary Events and Special Circumstances” up to a maximum postponement of five Business Days. If the absence of a closing level or official net asset value or a market disruption event should last for five Business Days, the closing price of the relevant Reference Asset shall 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 Reference Asset Return is a price return, and will not take into account dividends and/or distributions paid by the issuers or constituents of the Reference Asset. As of September 18, 2019, the dividends and/or distributions paid on account of all of the issues or constituents of the Reference Asset in the Reference Portfolio represented an annual return of approximately 4.08%, representing an aggregate yield of approximately 10.20% over the term of the Deposits, assuming that the yield remains constant and the dividends and/or distributions are not reinvested.

Scenario Analysis

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.

(1) Hypothetical example of a positive Variable Return

The following table is based on the assumption that the Closing Level of the Reference Asset will increase during the 2.5-year term of the Deposit.

Reference Asset	Issuance Date	Valuation Date		
	Closing Level	Closing Level	Reference Asset Return	Weighted Reference Asset Return
S&P/TSX Composite Low Volatility Index	422.28	512.35	21.33%	21.33%
Reference Portfolio Return				21.33%

Reference Portfolio Return on the Valuation Date	21.33%
Variable Return: $\text{MAX}[0\%, 21.33\% \times 100.00\%] =$	21.33%
Maturity Redemption Payment: $\$100 \times [1 + 21.33\%] =$	\$121.33
Annualized Compounded Return over the 2.5-year term	8.04%

In this example, the Reference Portfolio Return on the Valuation Date is 21.33%. The Variable Return would be 21.33% and the Maturity Redemption Payment payable on the Maturity Payment Date would be \$121.33 (approximately 8.04% compounded annually over 2.5 years).

(2) Hypothetical example of a nil Variable Return

The following table is based on the assumption that the Closing Level of the Reference Asset will decrease during the 2.5-year term of the Deposit.

Reference Asset	Issuance Date	Valuation Date		
	Closing Level	Closing Level	Reference Asset Return	Weighted Reference Asset Return
S&P/TSX Composite Low Volatility Index	422.28	351.76	-16.70%	-16.70%
Reference Portfolio Return				-16.70%

Reference Portfolio Return on the Valuation Date	-16.70%
Variable Return: $\text{MAX}[0\%, -16.70\% \times 100.00\%] =$	0.00%
Maturity Redemption Payment: $\$100 \times [1 + 0.00\%] =$	\$100.00
Annualized Compounded Return over the 2.5-year term	0.00%

In this example, the Reference Portfolio Return on the Valuation Date is -16.70%. The Variable Return would be nil and the Maturity Redemption Payment payable on the Maturity Payment Date would be \$100.00.

Risk Factors

An investment in the Deposits involves certain risks. You should, in consultation with your own financial and legal advisers, carefully consider, among other matters, the following discussion of risks, before deciding whether an investment in the Deposits is suitable. The Deposits are not a suitable investment for a prospective purchaser who does not understand their terms or the risks involved in holding the Deposits. Such risk factors include, without limitation, the following:

- Bank's creditworthiness;
- Investors could make no return in the Deposits;
- Risks relating to unsecured nature of the Deposits;
- The Deposits could be redeemed prior to maturity under a Reimbursement Under Special Circumstances;
- Reliance on the Calculation Agent;
- Conflicts of interest may affect the Calculation Agent;
- Hedging transactions may affect the underlying interests;
- The Valuation Date may be postponed if a Market Disruption Event occurs on the given date, which may affect the payment at maturity;
- The Reference Asset Return will not reflect the full appreciation in the Reference Asset when including dividends and other distributions;
- The return on the Deposits may not reflect the full performance of the Reference Portfolio that could be realized if investors held the Reference Asset directly;
- Holders have no ownership interest in the underlying interest or the constituents thereof;
- Concentration risk; the Deposits are linked only to the underlying interests;
- Deferred payment;
- Legal, administrative and regulatory change;
- Deposits are not qualified by prospectus;
- You will not be entitled to benefit of any change in the Closing Level for any Reference Asset included in the Reference Portfolio prior to the Valuation Date;
- The Deposit is not transferable to other investors; No trading market for the Deposit. Investors should be willing to hold the Deposit to maturity;
- Sale back to the Bank at Bid Price; many factors affect the value of the Deposit; Bid Prices for Deposit may not reflect the return of the underlying interest;
- Conflicts of interest may affect the Bid Provider.

Risks related to Index Linked Deposits, including:

- Trading prices;
- Potential modifications of a Reference Index;
- Adjustments to a Reference Index could adversely affect the value of the Deposits; and
- Neither the Bank nor the Agent nor the Bid Provider make any representation or warranty as to the accuracy or completeness of the information regarding the Reference Index.

Investors should read the Information Statement dated September 24, 2019 for complete details of the risk factors.

1. The NBC Canadian Market Low Volatility Flex GIC, Series 22F, Advisors Category, is herein referred to as a "Deposit".
2. The Deposit is a deposit eligible for deposit insurance 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 cdic.ca or by telephone at 1-800-461-2342).
3. The Reference Index is a product of S&P Dow Jones Indices LLC, a division of S&P Global, or its affiliates ("SPDJI") and TSX, Inc., and has been licensed for use by the Bank. Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC, a division of S&P Global ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and TSX is a trademark of TSX, Inc. and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by the Bank. The Deposits are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, or TSX, Inc. and none of such parties make any representation regarding the advisability of investing in such products nor do they have any liability for any errors, omissions, or interruptions of the Reference Index.

The statements contained herein are based upon information which we believe to be reliable but we cannot represent that they are complete or accurate. The complete information related to this issue of the Deposits is contained in the Information Statement which will be sent to investors prior to the Issuance Date. This document is provided for information purposes only and does not constitute an offer to sell or a solicitation to buy the Deposit referred to herein. All information about the Deposit is available at nbcstructuredolutions.ca and on request by contacting the Structured Solutions Group at 1-877-879-6423.

The Deposit is not a conventional fixed income investment. The Deposit is not suitable for all types of investors. An investment in the Deposit is subject to a number of risk factors. Potential purchasers should consult the Information Statement before investing. The Bank has issued previous series which may have different terms and conditions. Please refer to our website for the list of terms and conditions, compared to the previous series.

Capitalized terms used and not otherwise defined herein have the meaning ascribed thereto in the Information Statement.

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