

NBC Auto Callable Note Securities

A final base shelf prospectus containing important information relating to the note securities described in this document, has been filed with the securities regulatory authorities in each of the provinces and territories of Canada. A copy of the final base shelf prospectus, any amendment to the final base shelf prospectus and any applicable shelf prospectus supplement that has been filed, is required to be delivered with this document in connection with the purchase of any note securities. This document does not provide full disclosure of all material facts relating to the note

securities offered. Prospective investors should read the final base shelf prospectus, and any amendment and any applicable shelf prospectus supplement for disclosure of those facts, especially risk factors relating to the note securities offered, before making an investment decision. This document is for information purposes only and does not constitute an offer to sell or a solicitation to buy the note securities referred to herein.

For more information: [Shelf Prospectus](#) | [Prospectus Supplement](#)

NBC Auto Callable Note Securities (“auto callable notes” or “notes”) are principal at risk note securities that offer the potential to receive an enhanced return within a predefined range while also offering conditional principal protection at maturity.



- Linked to a reference portfolio, which may include stock(s), exchange-traded fund(s) or publicly available index(es)
- Have an automatic call feature
- Pay a predefined fixed return depending on the performance of the reference portfolio and a variable return, if applicable
- Usually offer a conditional principal protection at maturity

Hypothetical Example

The following illustrate potential payouts for a hypothetical issue of an auto callable note. Each separate issue may provide for different fixed returns, call threshold, call frequency, maturity barrier and term. The return scenarios on the next page are hypothetical examples included for illustration purposes only. The amounts and all other variables used are hypothetical and are not forecasts or projections. No assurance can be given that the results shown in these examples will be achieved.

Principal Amount Per Note	\$100
Term	5 years
Reference Portfolio	Canadian banks
Currency	Canadian dollars
Call Frequency	Annually
Call Threshold	0%
Fixed Returns	Year 1 = 9% Year 2 = 18% Year 3 = 27% Year 4 = 36% Year 5 = 45%
Maturity Barrier	-25%

AUTOCALL FEATURE

Automatically called at a predetermined fixed return if the reference portfolio return is equal to or above the call threshold of 0% on the applicable call valuation dates.

CONDITIONAL PRINCIPAL PROTECTION

If the notes reach maturity date and the reference portfolio return is below the call threshold of 0%, i.e., negative, the principal amount is returned to the investor provided that the reference portfolio return is equal to or above the maturity barrier of -25% on the final valuation date. Full downside exposure below that level.

VARIABLE RETURN

Investors are also entitled to receive a variable return which is equal to 5% of the amount by which the reference portfolio return exceeds the fixed return on the applicable valuation date.



EDUCATIONAL SUMMARY

Hypothetical Return Scenarios



TERM
5 years

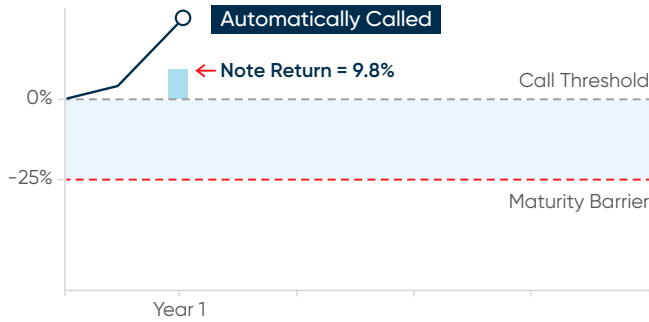


CALL FREQUENCY
Annually



FIXED RETURNS

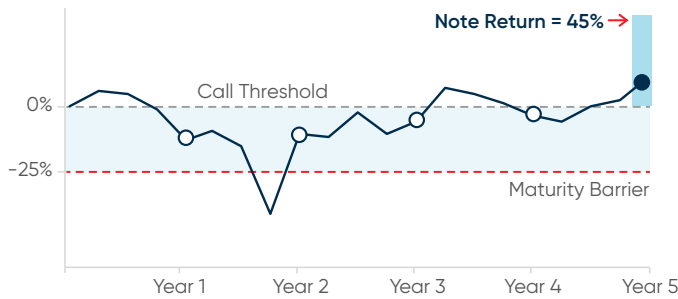
Year 1 = 9% Year 3 = 27% Year 5 = 45%
Year 2 = 18% Year 4 = 36%



SCENARIO 1

Note called on the first anniversary date

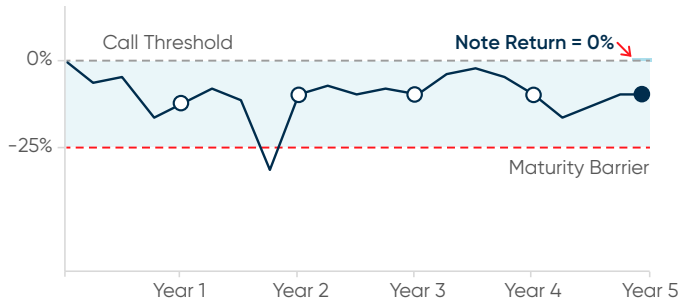
- Reference portfolio return = 25%
- Fixed return on year 1 = 9%
- Variable return = $5\% \times \text{MAX}[25\% - 9\%, 0\%] = 0.8\%$
- Payment on the call date (per note)
= $\$100 \times [1 + 9\% + 0.8\%]$
= \$109.8



SCENARIO 2

Note reached maturity date and a fixed return was paid

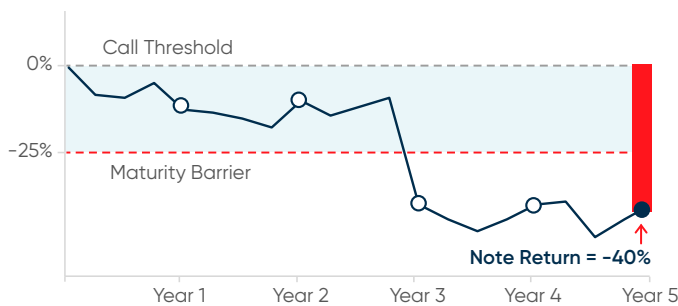
- Reference portfolio return = 10%
- Fixed return on year 5 = 45%
- Variable return = $5\% \times \text{MAX}[10\% - 45\%, 0\%] = 0\%$
- Maturity redemption payment (per note)
= $\$100 \times [1 + 45\% + 0\%]$
= \$145



SCENARIO 3

Note reached maturity date and maturity barrier was not breached (principal protection)

- Reference portfolio return = -10%
- Reference portfolio return is negative but above the maturity barrier on the final valuation date → Principal protection
- Maturity redemption payment (per note) = \$100



SCENARIO 4

Note reached maturity date and maturity barrier was breached

- Reference portfolio return = -40%
- Reference portfolio return is negative and below the maturity barrier on the final valuation date → Principal loss
- Maturity redemption payment (per note)
= $\$100 \times [1 + \text{reference portfolio return}]$
= $\$100 \times [1 - 40\%]$
= \$60

— Reference Portfolio Return (price return) ○ Call Valuation Dates ● Final Valuation Date



Relevant Links

- Shelf Prospectus
- Prospectus Supplement
- nbcstructuredsolutions.ca