

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



NATIONAL BANK OF CANADA
NBC Canadian Banks Deposit Notes, Series 34

DEPOSIT NOTES INFORMATION STATEMENT DATED DECEMBER 15, 2016

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

OVERVIEW

The NBC Canadian Banks Deposit Notes, Series 34 are issued by National Bank of Canada. The Principal Amount of your Deposit is fully guaranteed at maturity by the Bank. The Deposits aim to provide you with a return at maturity linked to the performance of an equally weighted portfolio of the common shares of the following five (5) Canadian banks:

Bank of Montreal
The Bank of Nova Scotia
Canadian Imperial Bank of Commerce
Royal Bank of Canada
The Toronto-Dominion Bank

The Maturity Date of the Deposits is January 22, 2024 (assuming an Issuance Date on January 20, 2017). **The Deposits will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of the deposit taking financial institution.**

INVESTMENT HIGHLIGHTS

Issuer:	National Bank of Canada (long term deposits rated DBRS: AA (low) / S&P: A / Moody's: Aa3)
Type of product:	Principal Protected Notes (the "Deposits"). Your Principal Amount is fully guaranteed at maturity by the Bank.
Issuance Date:	On or about January 20, 2017 but no later than February 21, 2017.
Valuation Date:	Assuming an Issuance Date on January 20, 2017, the Valuation Date will be on January 15, 2024.
Maturity Date:	Assuming an Issuance Date on January 20, 2017, the Maturity Date will be on January 22, 2024.
Minimum investment:	\$1,000 (10 Deposits)
Price and Principal Amount:	\$100 per Deposit
Description:	The Deposits aim to provide you with a return at maturity linked to the performance of a notional Reference Portfolio composed of one or more Reference Assets.
Reference Portfolio:	A Reference Portfolio composed of the common shares listed in the table below under Reference Portfolio (the "Reference Shares").
Currency of the Deposits:	Canadian dollars
Dividends and /or Distributions Reinvested:	No. The Reference Portfolio Return is a price return, and will not take into account the return constituted by the payment of dividends and/or distributions on the Reference Shares comprising the Reference Portfolio.
Secondary Market:	The Market Maker intends to maintain until the Valuation Date, under normal market conditions, a daily secondary market for the Deposits. The Market Maker is under no obligation to facilitate or arrange a secondary market, and the Market Maker in its sole discretion, may stop maintaining a market for the Deposits at any time, without any prior notice to you. There can be no assurance that a secondary market will be available or that such market will be liquid or sustainable.

Not Eligible for CDIC coverage:	The Deposits will not constitute deposits that are insured under the <i>Canada Deposit Insurance Corporation Act</i> or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of the deposit taking financial institution.
Early Trading Charge:	If you sell your Deposits prior to maturity through the market maintained by the Market Maker, you will be subject to an early trading charge of \$3.60 per Deposit, declining every 30 days by \$0.30 to be \$0.00 after 360 days from and including the Issuance Date.
Participation Factor:	105.00%
Certain Canadian Federal Income Tax Consequences:	Initial Holders who dispose of a Deposit, particularly those who dispose of a Deposit shortly prior to the Maturity Date should consult and rely on their own tax advisors with respect to their particular circumstances. Proposed amendments to the Tax Act to implement third reading in the House of Commons on December 6, 2016, which received measures (the “Budget Proposals”) that will impact income tax considerations relating to linked notes such as the Deposits, including that any gain realized upon the sale of a Deposit after 2016 will be treated as interest income. See “Certain Canadian Federal Income Tax Considerations”.
Fees and Expenses:	The Bank will pay to the Agent for payment by the Agent to those sale representatives whose clients purchase Deposits, a selling fee of up to \$3.00 per Deposit sold under the offering.
Fundserv Code:	NBC3118
Global Certificate issued to CDS:	Issued by way of a single Global Certificate registered in the name of CDS.
Eligibility for Investment:	Eligible for RRSPs, RRIFs, RESPs, RDSPs, DPSPs and TFSA.
Risk Factors:	Prospective investors should carefully consider all of the information set forth in this Information Statement and, in particular, should evaluate the specific risk factors set forth under “Risk Factors” for a discussion of certain risks involved in evaluating an investment in the Deposits.
Availability of Information:	All information about the Deposits is available on request from your investment advisor or on the Bank’s website at www.nbcstructuredsolutions.ca where the following information will be provided: (a) the most recent bid price of the Deposits and the applicable early trading charge (if any); and (b) the last available measures on which the Variable Return is determined. The information made available on the Bank’s website is provided for information purposes only.

PART A - CONDITIONS SPECIFIC TO THE INVESTMENT

1. RETURN OF YOUR DEPOSIT

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

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

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

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

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

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

Closing Level shall be, 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 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”).

The Reference Asset Return is a price return, and will not take into account dividends and/or distributions paid by the issuer of each Reference Asset. As of December 1, 2016, the dividends and/or distributions paid on account of all of the Reference Assets in the Reference Portfolio represented an annual return of approximately 3.95%.

Reference Portfolio:

Reference Asset name	Reference Asset ticker	Price Source	Closing Level	Reference Asset type	Reference Asset Weight
Common shares of Bank of Montreal	BMO	TSX	Closing price	Equity security	20.00%
Common shares of The Bank of Nova Scotia	BNS	TSX	Closing price	Equity security	20.00%
Common shares of Canadian Imperial Bank of Commerce	CM	TSX	Closing price	Equity security	20.00%
Common shares of Royal Bank of Canada	RY	TSX	Closing price	Equity security	20.00%
Common shares of The Toronto-Dominion Bank	TD	TSX	Closing price	Equity security	20.00%

The Bank may replace a maximum of two Reference Assets currently included in the Reference Portfolio before the Issuance Date. Any replacement Reference Asset selected for replacement shall be of an issuer of a similar size operating in a similar industry. Investors will be advised of any such replacement through a notice. Any such notice will be given to the investors on the Bank’s web site at www.nbcstructuredolutions.ca.

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

Public Information

Equity Linked Deposits

You should carefully read the following if the return of the Deposits offered under this Information Statement is linked to the performance of a share or equity security of an issuer (individually a “Reference Share”, or collectively “Reference Shares”) or a portfolio or basket of Reference Shares of more than one issuer. Each Reference Share issuer is normally required to file periodically certain financial and other information specified by applicable securities legislation. In addition, information regarding the Reference Share issuers may be obtained from other sources including, but not limited to, press releases, newspaper articles and other publicly disseminated documents. Neither the Bank nor the Agent makes any representation or warranty as to the accuracy or completeness of such documents and the information therein is not incorporated by reference into and does not form part of this Information Statement.

This Information Statement relates only to the Deposits offered herein and will not relate to the Reference Shares, the Reference Share issuers or other securities. All disclosure contained in this Information Statement regarding the Reference Shares and the Reference Share issuers will be derived from publicly available information. Further, the Bank and the Agent will not have an opportunity to verify the accuracy or completeness of any such information or to determine if there has been any omission by any of the Reference Share issuers to disclose any facts, information or events which may have occurred prior to or subsequent to the date as of which any such information has been furnished by the Reference Share issuers or which may affect the significance or accuracy of any such information. Neither the Bank nor the Agent will participate in the preparation of any reporting documents of the Reference Share issuers or make any due diligence inquiry with respect to the Reference Shares or the Reference Share issuers in connection with the offering of the particular Deposits. Neither the Bank nor the Agent make any representation that publicly available documents or any publicly available information regarding the Reference Share issuers are accurate or complete. Furthermore, the Bank and the Agent cannot give any assurance that all events occurring prior to the date of the Information Statement that would affect the trading price of the Reference Shares and therefore the Maturity Redemption Payment (as defined under “Description of the Deposits – Terms of the Deposits”) will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning the Reference Share issuers could affect the value received on any date with respect to the Deposits and, therefore, the value of the Deposits.

THE ISSUERS OF REFERENCE SHARES REFERRED TO IN THIS INFORMATION STATEMENT ARE NOT AFFILIATES OF THE BANK OR ANY OF THE BANK'S AFFILIATES AND THE REFERENCE SHARE ISSUERS WILL NOT PARTICIPATE IN THE PREPARATION OF THIS INFORMATION STATEMENT, AND THEY DO NOT TAKE ON OR ASSUME ANY RESPONSIBILITY OR LIABILITY REGARDING THE ACCURACY OR COMPLETENESS OF SAID INFORMATION; THEY MAKE NO REPRESENTATION AS TO THE ADVISABILITY OF PURCHASING THE PARTICULAR DEPOSITS. THE DEPOSITS ARE IN NO WAY SPONSORED, ENDORSED, SOLD OR PROMOTED BY THE REFERENCE SHARE ISSUERS. THE REFERENCE SHARE ISSUERS ARE NOT RESPONSIBLE OR LIABLE FOR OR WILL NOT PARTICIPATE IN THE DETERMINATION OF THE TIMING, PRICING OR NUMBER OF DEPOSITS TO BE ISSUED. THE REFERENCE SHARE ISSUERS DO NOT ASSUME ANY LIABILITY, STATUTORY OR OTHERWISE, WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF ANY OF THE INFORMATION CONTAINED IN THE INFORMATION STATEMENT, AND DO NOT HAVE ANY OBLIGATION OR LIABILITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR TRADING OF THE DEPOSITS. THE ISSUANCE OF THE DEPOSITS WILL NOT BE A FINANCING FOR THE BENEFIT OF ANY OF THE REFERENCE SHARE ISSUERS.

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

2. SUITABILITY CONSIDERATIONS AND GUIDELINES

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

- you are seeking protection of your capital at maturity;
- you are seeking the potential for higher returns in a low interest rate environment;
- you have a long-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 each Reference Asset;
- you are prepared to assume the risks as described in the Risk Factors section; 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 each Reference Asset over the term of the Deposits to maturity, on the assumption that the dividend and/or distribution yield remains constant and that the dividends and/or distributions are not reinvested.

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

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

3. EXAMPLES

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

(1) Hypothetical example of a **positive** Variable Return

The following table is based on the assumption that the Reference Portfolio will increase during the 7-year term of the Deposits.

Reference Asset	Issuance Date	Valuation Date		
	Closing Level	Closing Level	Reference Asset Return	Weighted Reference Asset Return
Common shares of Bank of Montreal	\$73.29	\$85.02	16.00%	3.20%
Common shares of The Bank of Nova Scotia	\$55.52	\$128.25	131.00%	26.20%
Common shares of Canadian Imperial Bank of Commerce	\$88.86	\$237.26	167.00%	33.40%
Common shares of Royal Bank of Canada	\$70.07	\$152.75	118.00%	23.60%
Common shares of The Toronto Dominion Bank	\$51.63	\$106.87	107.00%	21.40%
Sum of the Weighted Reference Asset Returns				107.80%

Reference Portfolio Return on the Valuation Date	107.80%
Variable Return : $\text{MAX}[0\%, 107.80\% \times 105\%]$ =	113.19%
Maturity Redemption Payment : $\$100 \times [1 + 113.19\%]$ =	\$213.19
Annualized compounded return over the 7-year term	11.42%

In this example, the sum of the Weighted Reference Asset Returns of each of the Reference Assets is 107.80%. The Variable Return would be 113.19% and the Maturity Redemption Payment payable on the Maturity Payment Date would be \$213.19 (approximately 11.42% compounded annually over 7 years).

(2) Hypothetical example of a nil Variable Return

The following table is based on the assumption that the Reference Portfolio will decrease during the 7-year term of the Deposits.

Reference Asset	Issuance Date	Valuation Date		
	Closing Level	Closing Level	Reference Asset Return	Weighted Reference Asset Return
Common shares of Bank of Montreal	\$73.29	\$49.84	-31.99%	-6.40%
Common shares of The Bank of Nova Scotia	\$55.52	\$90.08	62.25%	12.45%
Common shares of Canadian Imperial Bank of Commerce	\$88.86	\$54.90	-38.22%	-7.64%
Common shares of Royal Bank of Canada	\$70.07	\$58.05	-17.15%	-3.43%
Common shares of The Toronto Dominion Bank	\$51.63	\$40.47	-21.62%	-4.32%
Sum of the Weighted Reference Asset Returns				-9.35%

Reference Portfolio Return on the Valuation Date	-9.35%
Variable Return : $\text{MAX}[0\%, -9.35\% \times 105\%]$ =	0.00%
Maturity Redemption Payment : $\$100 \times [1 + 0.00\%]$ =	\$100.00
Annualized compounded return over the 7-year term	0.00%

In this example, the sum of the Weighted Reference Asset Returns of each of the Reference Assets is -9.35%. The Variable Return would be nil and the Maturity Redemption Payment payable on the Maturity Payment Date would be \$100 because the Deposits are principal-protected at maturity.

4. RISK FACTORS

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

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

We refer you to the risks described in the Bank's Annual Report for the year ended October 31, 2016. This analysis discusses, among other things, known material trends and events, and risks or uncertainties, that are reasonably expected to have a material effect on the Bank's business, financial condition, results of operations and hence, on its general creditworthiness.

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

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

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

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

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

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

Moreover, as noted above, the Bank and/or its affiliates expect to engage in trading activities related to the underlying interests that are not for the account of holders or on their behalf. These trading activities may present a conflict between the holders' interest in the Deposits and the interests of the Bank and/or its affiliates will have in their proprietary accounts in facilitating transactions, including block trades and options and other derivatives transactions, for their customers and in accounts under their management. These trading activities, if they influence the price or the level of the underlying interests, could be adverse to the interests of the holders. Moreover, subsidiaries of the Bank, including NBF, may have published, and in the future are likely to publish, research reports with respect to the underlying interests. This research may be modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Deposits. Any of these activities by the Bank, NBF and/or other affiliates thereof may affect the market price and/or the level of the underlying interest and, therefore, the market value of the Deposits.

Hedging transactions may affect the underlying interests. As described under "Related Matters - Use of Proceeds and Hedging", the Bank and/or its affiliates may hedge the Bank's obligations under the particular Deposits by doing one or a combination of the following: purchasing or selling the underlying interest (or constituents thereof) and/or futures or options on the underlying interest (or constituents thereof), or other derivative instruments with returns linked or related to changes in the performance of the underlying interest (or constituents thereof), and the Bank and/or its affiliates are likely to adjust these hedges by, among other things, purchasing or selling the underlying interest (or constituents thereof) and/or futures, options, or other derivative instruments with returns linked or related to changes in the performance of the underlying interest (or constituents thereof), from time to time. Any of these hedging activities may, but are not expected to, impact the market price and/or the level of the underlying interest (or constituents thereof), and, therefore, increase or

decrease the market value of the particular Deposits. It is possible that the Bank and/or its affiliates could receive substantial returns from these hedging activities while the market value of the particular Deposits declines. The Bank may benefit from the difference between the amount it is obligated to pay under the particular Deposits, net of related expenses, and the returns it may generate in hedging such obligation. The Bank and/or its affiliates may also engage in trading in the underlying interest (or constituents thereof) and other investments relating to the underlying interest (or constituents thereof) on a regular basis as part of their general broker-dealer and other businesses, for proprietary accounts, for other accounts under management or to facilitate transactions for customers. Any of these activities, among others, could impact the market price and/or the level of the underlying interest (or constituents thereof) and, therefore, may increase or decrease the market value of the Deposits. The Bank and/or its affiliates may also issue or underwrite other securities or financial or derivative instruments with returns linked or related to changes in the performance of the underlying interest (or constituents thereof). By introducing competing products into the marketplace in this manner, the Bank and/or its affiliates could adversely affect the market value of the Deposits.

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

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

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

Investors should understand that 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.

In addition, if there is more than one Reference Asset in the Reference Portfolio, the Reference Asset Return of one or more Reference Assets could increase over the term of the Deposits, but be offset by decreases in the Reference Asset Return of other Reference Assets. Moreover, if the Reference Asset Weight for each Reference Asset is not equal, the Reference Assets having greater Reference Asset Weights will have a greater impact on the Reference Portfolio Return, and therefore the Maturity Redemption Payment, than the Reference Assets having lower Reference Asset Weights.

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

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

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

Legal, administrative and regulatory change. There can be no assurance that income tax, securities and other federal and provincial laws will not be changed in a manner that will adversely affect investors in the Deposits.

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

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

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

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

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

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

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

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

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

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

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

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

Certain Risk Factors related to Equity Linked Deposits:

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

Exposure to equities. Holders of Deposits linked to an underlying interest composed of equity securities 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.

Potential replacement of the Reference Shares. A Reference Share may be replaced with a Replacement Reference Share upon the occurrence of a Substitution Event. Although the Calculation Agent may make certain determinations in certain special circumstances to ensure that a Replacement Reference Share is designated, information regarding certain Replacement Reference Shares may not be readily available to holders, which may adversely affect the secondary market (if any) for trading in the Deposits. Moreover, the return generated on such Replacement Reference Share may not be as high as the return that would have been generated by the Deleted Reference Share if it had not been replaced. Moreover, certain other adjustments events may occur in certain limited circumstances.

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

5. EXTRAORDINARY EVENTS AND SPECIAL CIRCUMSTANCES

Extraordinary Events affecting Equity Linked Deposits

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

Potential Adjustment Event

Following the declaration by a Company of the terms of any Potential Adjustment Event in respect of its Reference Shares, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Reference Share and, if so, may (i) make the corresponding adjustments, if any, to any one or more of the Initial Value of such Reference Share, the formula for calculating the return of such Reference Share, or any other component or variable relevant to the determination of the price or return of the Reference Share or the Maturity Redemption Payment as the Calculation Agent determines appropriate to account for the diluting or concentrative effect and (ii) determine the effective date of the adjustments. The Calculation Agent may (but need not) determine any appropriate adjustments by reference to the adjustments in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Reference Share traded on such options exchange. Save as expressly provided below, the Calculation Agent will make no adjustment in respect of any distribution of cash.

"Company" means the issuer of a Reference Share.

"Initial Value" means the price of the relevant Reference Share on the date of issuance of the Deposits.

"Reference Share" means a share or other equity security comprising the Reference Portfolio.

"Potential Adjustment Event" means, in respect of a Reference Share, the occurrence of any of the following events:

- (a) a subdivision, consolidation or reclassification of relevant Reference Shares (unless resulting in a Merger Event), or a free distribution or dividend of any such Reference Shares to existing holders by way of bonus, capitalization or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Reference Shares of (i) such Reference Shares, or (ii) other share capital or securities granting the right to payment of dividends or distributions and/or the proceeds of liquidation of the applicable Company equally or proportionately with such payments to holders of such Reference Shares, or (iii) share capital

or other securities of another issuer acquired or owned (directly or indirectly) by the applicable Company as a result of a spin-off or other similar transaction;

- (c) an extraordinary dividend in respect of such Reference Shares (where the characterization of a dividend or distribution as “extraordinary” will be determined by the Calculation Agent);
- (d) a call by the applicable Company in respect of the relevant Reference Shares that are not fully paid;
- (e) a repurchase by the applicable Company or any of its subsidiaries of the relevant Reference Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) in respect of the applicable Company, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Company pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event will be readjusted upon any redemption of such rights; or
- (g) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Reference Shares.

Merger Event and Tender Offer

On or after a Merger Date or Tender Offer Date, the Calculation Agent will either (i) (A) make adjustment(s), if any, to any one or more of the Initial Value of the relevant Reference Share, the formula for calculating the return of such Reference Share, or any other component or variable relevant to the determination of the price or return of the Reference Share or the Maturity Redemption Payment as the Calculation Agent determines appropriate to account for the economic effect on the Deposits of the relevant Merger Event or Tender Offer (and in this connection, the Calculation Agent may, but need not, determine any appropriate adjustments by reference to the adjustments in respect of such Merger Event or Tender Offer made by an options exchange to options on the relevant Reference Shares traded on such options exchange) and (B) determine the effective date of the adjustments, or (ii) if the Calculation Agent determines that no adjustments that it could make under (i) will produce a commercially reasonable result, the Calculation Agent may deem the relevant Merger Event or Tender Offer to be a Substitution Event subject to the provisions of “Substitution Event” below.

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

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

“Tender Offer” means, in respect of a Reference Share, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10% and less than 100% of the outstanding relevant Reference Shares of the applicable Company, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

“Tender Offer Date” means, in respect of a Tender Offer, the date on which the relevant Reference Shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent).

Substitution Event

Upon the occurrence of a Substitution Event in respect of a Reference Share (the "Deleted Reference Share") as determined by the Calculation Agent, the following will apply (the "Substitution Date"):

- (a) any adjustments set out in "Potential Adjustment Event" above in respect of such Reference Share will not apply;
- (b) the Bank may choose (in its entire discretion) a new share or equity security of a comparable issuer (the "Replacement Reference Share") as a substitute for such Deleted Reference Share;
- (c) such Deleted Reference Share will be deleted from the underlying interest and will not be considered as a Reference Share for purposes of determining the price or return of the Reference Share on or after the Substitution Date;
- (d) the Replacement Reference Share will be the Reference Share, the issuer of such Replacement Reference Share will be the Company in respect of such Replacement Reference Share, and the primary exchange or market quotation system on which such Replacement Reference Share is listed will be the Exchange in respect of such Replacement Reference Share; and
- (e) the Calculation Agent will determine the price of such Replacement Reference Share by reasonably taking into account all relevant market circumstances, including the price of the Deleted Reference Share and the price or estimated value on the Substitution Date of the Deleted Reference Share and the price on the Substitution Date of the Replacement Reference Share, and will make adjustments, if any, to any one or more of the formula for calculating the price or return of such Replacement Reference Share, or any other component or variable relevant to the determination of the price or return of the Replacement Reference Share or the Maturity Redemption Payment as the Calculation Agent determines appropriate to account for the economic effect on the particular Deposits of the relevant Substitution Event (including adjustments to account for changes in volatility, expected dividends or distributions, stock loan rate or liquidity relevant to the applicable substitution).

Upon choosing a Replacement Reference Share, investors will be advised of any such replacement through a notice. Any such notice will be given in the manner described under "Related Matters – Notice to Holders". For greater certainty, the Replacement Reference Share chosen by the Bank may be of an entity that is the continuing entity in respect of a Merger Event. The Bank may alternatively decide, at its entire discretion, not to choose a Replacement Reference Share as a substitute for a Deleted Reference Share, including if the Bank determines that there are no appropriate comparable issuers whose shares or equity securities are listed on a major exchange or market quotation system which offer sufficient liquidity in order for the Bank or its affiliates to place, maintain or modify hedges in respect of such shares or equity securities. See "Extraordinary Non Replacement Event" below.

"Substitution Event" means, in respect of a Reference Share, any Nationalization, Insolvency or Delisting in respect of such Reference Share, or any Merger Event or Tender Offer in respect of such Reference Share that is deemed by the Calculation Agent to be a Substitution Event, or the occurrence and continuation for at least five consecutive applicable Business Days of a Market Disruption Event (as defined below) in respect of such Reference Share.

"Nationalization" means, in respect of a Reference Share, that all such Reference Shares or all the assets or substantially all the assets of the applicable Company are nationalized, expropriated or otherwise required to be transferred to any governmental agency, authority or entity.

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

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

Extraordinary Non Replacement Event

If the Calculation Agent determines that a Substitution Event in respect of a Reference Share has occurred and the Bank, in its sole discretion, has decided not to choose a Replacement Reference Share as a substitute for such Reference Share whether because the Bank has determined that there are no appropriate replacement shares or equity securities which offer sufficient comparable attributes including, but not limited to, industry, size, markets and financial position of the issuer and currency, liquidity, dividend yield, volatility of such securities and ability for the Bank or its affiliates to place, maintain or modify hedges in respect of such securities or for any other reason (an "Extraordinary Non Replacement Event"), then the Bank may, in its sole discretion, (i) in the event where the underlying interest is a reference portfolio comprising more than one Reference Share or comprising other securities, assets and/or reference items, decide to continue the reference portfolio or basket without such Deleted Reference Share and make the necessary adjustments such that thereafter, the reference portfolio return will be calculated on the basis of the remaining Reference Shares and other securities, assets and/or reference items, where the weighting of the Deleted Reference Share will be reallocated proportionally to the remaining Reference Shares and other securities, assets and/or reference items and make the necessary adjustments so that the return generated on such Deleted Reference Share up to the event leading to such Extraordinary Non Replacement Event is taken into account as at such date or (ii)

otherwise (whether the underlying interest is a reference portfolio or basket or not) decide to treat the Extraordinary Non Replacement Event as a Special Circumstance and proceed with a Reimbursement Under Special Circumstances. See “Extraordinary Events and Special Circumstances – Reimbursement Under Special Circumstances and Payment”.

Market Disruption Event

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

However, there will be a limit for postponement of the Valuation Date. If on the fifth Business Day following the date originally scheduled as the Valuation Date, the Valuation Date has not occurred, then despite the occurrence or continuance of a Market Disruption Event in respect of such Reference Share on or after such fifth Business Day:

- (a) such fifth Business Day will be the Valuation Date in respect of such Reference Share; and
- (b) the price of such Reference Share for such Valuation Date used for determining the return of the Reference Share, the Maturity Redemption Payment or any other payment based on the price of the Reference Share will be a value equal to the Calculation Agent’s estimate of the price of such Reference Share as at such Valuation Date, reasonably taking into account relevant market circumstances.

A Market Disruption Event may delay the determination of the price or return of the Reference Share and consequently the calculation of the Maturity Redemption Payment for the particular Deposits or other payment based on the price of the Reference Share that may be payable. Payment of the Maturity Redemption Payment for the particular Deposits or other payment based on the price of the Reference Share will be made on the fifth Business Day after the prices and returns of all Reference Shares and other securities, assets and/or reference items used in the calculation of the Maturity Redemption Payment for the particular Deposits or other payment based thereon have been determined.

In addition, if prior to the Valuation Date for the determination of the Maturity Redemption Payment or other payment for the particular Deposits a Market Disruption Event occurs and continues for at least five consecutive Business Days, then (i) such occurrence could constitute a Substitution Event and lead to the adjustments set forth under “Description of the Deposits – Extraordinary Events affecting Equity Linked Deposits – Substitution Event”, or (ii) the Bank may, in its sole discretion, treat this as a Special Circumstance and proceed with a Reimbursement Under Special Circumstances. See “Extraordinary Events and Special Circumstances – Reimbursement Under Special Circumstances and Payment”.

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

- (a) any suspension of or limitation imposed on trading by the Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or Related Exchange or otherwise (i) relating to the Reference Share on the Exchange(s), or (ii) in futures or options contracts or relating to the Reference Share on any relevant Related Exchange;
- (b) the closure (“Early Closure”) on any Exchange Day of the Exchange or any Related Exchange prior to its scheduled closing time unless such earlier closing time is announced by such Exchange or Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange on such Exchange Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the close of trading on such Exchange Day;
- (c) any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Reference Share on the Exchange, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Reference Share on any Related Exchange;
- (d) the failure on any Exchange Day of the Exchange or any Related Exchange to open for trading during its regular trading session;
- (e) the adoption, change, enactment, publication, decree or other promulgation of any statute, regulation, rule or order of any court or other governmental authority, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, which would have a material adverse effect on a holder of securities of the Reference Share issuer or in respect of any hedge transaction established in connection with the Reference Share or make it unlawful or impracticable for the Bank to perform its obligations under the particular Deposits or for a party generally

to place, maintain, substitute, unwind or modify hedges of positions or to realize, recover or remit the proceeds of any such hedge in respect of such Reference Share;

- (f) the taking of any action by any governmental, administrative, legislative or judicial authority or power of Canada or any other country, or any political subdivision thereof, which has a material adverse effect on the financial markets of Canada or a country in which any applicable Exchange or Related Exchange is located;
- (g) any outbreak or escalation of hostilities or other national or international calamity or crisis (including, without limitation, natural calamities) which has or would have a material adverse effect on the ability of the Bank to perform its obligations under the particular Deposits or of a party generally to place, maintain, substitute, unwind or modify hedges of positions or to realize, recover or remit the proceeds of any such hedge with respect to such Reference Share or a material and adverse effect on the economy or the trading of securities generally on any relevant Exchange or Related Exchange;
- (h) an increase in the cost of acquiring, placing, establishing, re-establishing, substituting, maintaining, modifying, unwinding or disposing of any hedging transaction in connection with the particular Deposits or in the cost of realizing, recovering or remitting the proceeds of any such hedging transaction; or
- (i) in any other event, if the Calculation Agent determines that the event materially affects the ability of the Bank and/or its affiliates to hedge or unwind all or a material portion of a hedge with respect to the particular Deposits that has been effected or may come into effect as described below under “Related Matters - Use of Proceeds and Hedging”.

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

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

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

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

Reimbursement Under Special Circumstances and Payment

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

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

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

6. CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

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

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

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

This summary is of a general nature only and is not intended to constitute, nor should it be relied upon or construed as, tax advice to any particular Initial Holder nor is it exhaustive of all possible Canadian federal income tax considerations. For purposes of this summary, it is assumed that an Initial Holder will neither undertake nor arrange a transaction in respect of the Deposits primarily in view of obtaining a tax benefit. **Initial Holders should consult and rely on their own tax advisors as to the overall consequences of their acquisition, ownership and disposition of Deposits having regard to their particular circumstances.**

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

Accrual of Interest. In certain circumstances, provisions of the Tax Act can deem interest to accrue on a "prescribed debt obligation" (as defined for purposes of the Tax Act). Counsel to the Bank understands that the CRA takes the administrative position that instruments similar to the Deposits constitute "prescribed debt obligations". Based in part on an understanding of the CRA's current administrative policies and assessing practices, and except as set out in the Budget Proposals and discussed below with respect of the transfer of Deposits after 2016, no amount would be deemed to accrue and as a consequence, there should be no deemed accrual of interest on the Deposits under these provisions prior to the Maturity Redemption Payment or Actualized NAV becoming calculable.

Payment at Maturity. The amount of the excess of the payment at maturity over the Principal Amount of a Deposit that is payable to an Initial Holder can be ascertained and the right to it arises only at the Valuation Date. The amount of such excess, if any, will be included in the Initial Holder's income, as interest, in the taxation year in which the Valuation Date occurs.

Disposition Prior to January 1, 2017. It is unclear whether a gain (if any) realized by an Initial Holder on a disposition or deemed disposition of a Deposit prior to January 1, 2017, assuming the Budget Proposals are enacted, other than a disposition resulting from a payment by or on behalf of the Bank, will be considered to give rise to a capital gain or to ordinary income. The CRA has not expressed any opinion on this issue. Generally, an amount received or deemed to be received by an Initial Holder on such disposition or deemed disposition of a Deposit should give rise to a capital gain (or a capital loss) to the Initial Holder to the extent such amount, net of amounts included in income as interest and any reasonable costs of disposition, exceeds (or is less than) the Initial Holder's adjusted cost base of the Deposit. The tax consequences described in this paragraph may differ if the Initial Holder disposes of a Deposit to the Bank or to an entity on behalf of the Bank. **However, in light of the Budget Proposals, Initial Holders who dispose of a Deposit to a third party, prior to January 1, 2017, should consult and rely on their own tax advisors with respect to their particular circumstances.**

One half of any capital gain realized will constitute a taxable capital gain that must be included in the calculation of the Initial Holder's income. One half of any capital loss incurred will constitute an allowable capital loss that is deductible against taxable capital gains of the Initial Holder, subject to and in accordance with the provisions of the Tax Act.

Capital gains realized by an individual or certain trusts may give rise to alternative minimum tax under the Tax Act.

Disposition on or After January 1, 2017. Assuming the Budget Proposals are enacted, the amount received or deemed to be received by an Initial Holder on a transfer of a Deposit on or after January 1, 2017 that exceeds the Principal Amount of the Deposit, will be deemed to give rise to interest income to the extent of such excess and included in the income of the Initial Holder.

In addition, amounts received or deemed to be received by an Initial Holder on such a transfer of a Deposit on or after January 1, 2017 should generally give rise to a capital gain (or capital loss) to the Initial Holder to the extent such amount, net of amounts included in the income of the Initial Holder as interest (including deemed interest described above) and any reasonable costs of disposition, exceeds (or is less than) the Initial Holder's adjusted cost base of the Deposits.

Initial Holders who dispose of a Deposit on or after January 1, 2017, should consult and rely on their own tax advisors with respect to their particular circumstances.

One half of any capital gain realized will constitute a taxable capital gain that must be included in the calculations of the Initial Holder's income. One half of any capital loss incurred will constitute an allowable capital loss that is deductible against taxable capital gains of the Initial Holder, subject to and in accordance with the provisions of the Tax Act.

7. DEFINITIONS

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

General Definitions:

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

"Agency Agreement" has the meaning ascribed thereto under "Plan of Distribution".

"Agent" means National Bank Investments Inc., a wholly-owned subsidiary of the Bank.

"Bank" means National Bank of Canada.

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

"Calculation Agent" means the Bank.

"Closing Level" has the meaning ascribed thereto under "Return of Your Deposit – Closing Level".

"CRA" means the Canada Revenue Agency.

"Custodian" means National Bank Trust Inc., an affiliate of the Bank, or any other person appointed by the Bank for that purpose.

"DBRS" means DBRS Limited.

"Deposits" means the NBC Canadian Banks Deposit Notes, Series 34.

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

"Fundserv Deposits" has the meaning ascribed thereto under "Fundserv".

"Holder" means an owner of record or beneficial owner of a Deposit.

"Information Statement" means the present information statement.

"Initial Holder" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations".

"Issuance Date" means the date as of which the Deposits are issued, as evidenced by the issuance of a certificate therefor or the registration of such issuance in the records of the Bank.

"Market Disruption Event" has the meaning ascribed thereto under "Extraordinary Events and Special Circumstances".

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

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

“Maturity Redemption Payment” means an amount per Deposit to which you are entitled on the Maturity Date based on the performance of the Reference Portfolio which is equal to your Principal Amount X (1 + Variable Return).

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

“NBF” means National Bank Financial Inc.

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

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

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

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

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

“Reference Asset Weight” means the weight of each Reference Asset contained in the Reference Portfolio.

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

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

“Reference Share” means each of the shares or other equity securities comprising the Reference Portfolio.

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

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

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

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

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

“Trading Day” means any day where the primary exchanges for 90% of the securities comprising the Reference Assets in the Reference Portfolio are opened for trading.

“Valuation Date” means, the fifth Business Day preceding the Maturity Date, provided that if such day is not a Trading Day, it will be postponed until the next Trading Day, subject to a maximum of five Business Days, and subject to a Market Disruption Event.

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

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

Structure-related Definitions:

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

Secondary Market related Definitions:

“Book-Entry System” means the record entry securities transfer and pledge system established and governed by one or more agreements between CDS and CDS Participants pursuant to which the operating rules and procedures for such system are established and administered by CDS, including in relation to the Bank and CDS.

“CDS” means CDS Clearing and Depository Services Inc., or its nominee.

“CDS Participants” means a broker, dealer, bank or other financial institution or other person for whom CDS effects book-entry transfers and pledges of Deposits under the Book-Entry System.

“Global Deposit” has the meaning ascribed thereto under “Book-Entry System”.

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

“NBC Canadian Banks Deposit Notes” is a trademark of the National Bank of Canada.

8. REFERENCE ASSETS DESCRIPTION AND HISTORICAL REFERENCE ASSETS DATA

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

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

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

Bank of Montreal

Bank of Montreal is a Canadian chartered bank which operates throughout the world. Bank of Montreal offers commercial, corporate, governmental, international, personal banking, and trust services. Bank of Montreal also offers full brokerage, underwriting, investment and advisory services.

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

The Bank of Nova Scotia

The Bank of Nova Scotia provides retail, commercial, international, corporate, investment and private banking services and products.

Further information about The Bank of Nova Scotia is available on the following website: www.scotiabank.com and information from this website is not incorporated by reference into this Information Statement.

Canadian Imperial Bank of Commerce

Canadian Imperial Bank of Commerce provides banking and financial services to consumers, individuals, and corporate clients in Canada and around the world.

Further information about Canadian Imperial Bank of Commerce is available on the following website: www.cibc.com and information from this website is not incorporated by reference into this Information Statement.

Royal Bank of Canada

Royal Bank of Canada is a diversified financial services company. Royal Bank provides personal and commercial banking, wealth management services, insurance, corporate and investment banking, and transaction processing services. Royal Bank offers its services to personal, business, public sector and institutional clients with operations worldwide.

Further information about Royal Bank of Canada is available on the following website: www.rbcroyalbank.com and information from this website is not incorporated by reference into this Information Statement.

The Toronto-Dominion Bank

The Toronto-Dominion Bank conducts a general banking business through banking branches and offices located throughout Canada and overseas. The Toronto-Dominion Bank and other subsidiaries offer a broad range of banking, advisory services, and discount brokerage to individuals, businesses, financial institutions, governments, and multinational corporations.

Further information about The Toronto-Dominion Bank is available on the following website: www.td.com and information from this website is not incorporated by reference into this Information Statement.

Historical Reference Assets Data

The following table shows the calendar year and year-to-date (“YTD”) price performance of each of the Reference Assets and the Reference Portfolio. The YTD price performance is as of December 1, 2016. **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 2015 below refers to the year as measured from December 31, 2014 to December 31, 2015.

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	YTD
Common shares of Bank of Montreal	6.15%	-18.36%	-44.52%	78.72%	2.92%	-2.78%	8.91%	16.35%	16.06%	-4.99%	13.55%
Common shares of The Bank of Nova Scotia	12.92%	-3.49%	-33.75%	47.76%	16.01%	-10.98%	13.04%	15.61%	-0.18%	-15.59%	32.37%
Common shares of Canadian Imperial Bank of Commerce	28.65%	-28.23%	-27.58%	33.39%	14.94%	-5.80%	8.38%	13.44%	10.05%	-8.66%	18.81%
Common shares of Royal Bank of Canada	22.23%	-8.58%	-28.85%	56.23%	-7.23%	-0.65%	15.20%	19.26%	12.37%	-7.59%	17.73%
Common shares of The Toronto-Dominion Bank	14.05%	-0.32%	-37.48%	51.81%	12.57%	2.75%	9.78%	19.53%	10.90%	-2.29%	16.28%
Reference Portfolio	16.80%	-11.80%	-34.44%	53.58%	7.84%	-3.49%	11.06%	16.84%	9.84%	-7.82%	19.75%

The following table shows the price performance of each of the Reference Assets and the Reference Portfolio from the period beginning on December 1, 2006 and ending on December 1, 2016. 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 months	6 months	1 year	2 years	3 years	4 years	5 years	10 years
Common shares of Bank of Montreal	4.38%	1.88%	7.66%	13.35%	3.17%	6.40%	10.41%	8.45%	2.55%
Common shares of The Bank of Nova Scotia	2.86%	5.72%	14.18%	21.80%	3.53%	4.35%	7.25%	8.08%	3.81%
Common shares of Canadian Imperial Bank of Commerce	9.16%	4.05%	6.29%	7.03%	1.05%	5.95%	7.81%	8.52%	1.86%
Common shares of Royal Bank of Canada	4.90%	7.17%	10.37%	13.55%	2.69%	7.42%	10.34%	13.17%	5.00%
Common shares of The Toronto-Dominion Bank	3.77%	7.50%	9.95%	14.13%	5.13%	9.23%	11.04%	11.90%	6.53%
Reference Portfolio	5.01%	5.27%	9.69%	13.97%	3.12%	6.69%	9.40%	10.10%	4.07%

PART B - GENERAL CONDITIONS OF THE INVESTMENT

1. FEES AND EXPENSES

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

2. SECONDARY MARKET

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

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

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

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

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

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

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

- **supply and demand for the Deposits** – an oversupply of Deposits or a weak demand for the Deposits may adversely affect the price of the Deposits;
- **inventory positions with market-makers** – large inventory positions with market-makers may negatively impact the demand for the Deposits which may adversely affect the price of the Deposits;
- **interest rates in the market** – an increase in interest rates may bring investors in the market place to favour fixed-income instruments over the Deposits which offer an uncertain potential of return, and therefore adversely affect the demand for and price of the Deposits;
- **the return of each Reference Asset since the Issuance Date** – a negative return will adversely affect the price of the Deposits;
- **the time remaining until the maturity of the Deposits** – where the value may be discounted prior to such time;

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

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

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

You should consult your investment advisors as to whether it would be more favourable in the circumstances at any time to sell the Deposits (assuming the availability of a secondary market) or to hold the Deposits until the Maturity Date. You should also consult and rely on your own tax advisors as to the tax consequences arising from a sale of a Deposit prior to the Maturity Date as compared to holding the Deposit until the Maturity Date. **Proposed amendment to the Tax Act to implement measures proposed in the federal budget delivered on March 22, 2016, which received third reading in the House of Commons on December 6, 2016, contain a number of Budget Proposals that will impact income tax considerations relating to linked notes such as the Deposits, including that any gain realized upon the sale of a Deposit after 2016 will be treated as interest income.** See “Certain Canadian Federal Income Tax Considerations”.

3. FUNDSERV

If specified in the Investment Highlights section on the cover page of this Information Statement, the Deposits may be purchased through dealers and other firms that facilitate purchase and related settlement using the Fundserv network. If this is your case, the following information about Fundserv is pertinent for you. You should consult with your financial advisors as to whether your Deposits will be purchased using the Fundserv network and to obtain further information on Fundserv’s procedures applicable to them.

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

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

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

Fundserv Deposits. Fundserv Deposits will be evidenced by the Global Deposit. See “Related Matters – Book-Entry System” for further details on CDS as a depository and related matters with respect to the Global Deposit. Holders of Fundserv Deposits will therefore have an indirect beneficial interest in the Global Deposit. That beneficial interest will be recorded in CDS as being owned by a Bank affiliate, as a participant in CDS. Such Bank affiliate will hold the Deposits for the Custodian, which will record in its books respective beneficial interests in the Fundserv Deposits which recordings will be made as instructed using the Fundserv network by the CDS-Participants and non-CDS Participants, as the case may be.

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

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

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

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

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

4. PLAN OF DISTRIBUTION

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

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

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

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

If subscriptions for Deposits could be made using the Fundserv network as specified in the Investment Highlights section on the cover page of this Information Statement, the full subscription price therefore must be delivered to the Bank in immediately available funds prior to the Issue Date and will be held in escrow pending closing of the offering of the Deposits. A purchaser of Deposits using the Fundserv network

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

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

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

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

5. RELATED MATTERS

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

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

All amounts payable in respect of the Deposits will be made available by the Bank through CDS or its nominee. Upon receipt of any such amount, CDS or its nominee will facilitate payment to the applicable CDS Participants or credit the account of such CDS Participants, in amounts proportional to their respective interests as shown on the records of CDS. When offered through Fundserv, the Custodian will facilitate payment by Fundserv to non-CDS Participants or credit the account of such non-CDS Participants, in amounts proportional to their respective interests. See "Custodian".

Payments by CDS Participants and non-CDS Participants to you will be governed by standing instructions and customary practices, as is the case with securities or instruments held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such CDS Participants or non-CDS Participants.

The responsibility and liability of the Bank in respect of Deposits represented by a global certificate is limited to the payment of those amounts due in respect of the global certificate to CDS or its nominee. The Bank will not have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership of the Deposits represented by the global certificate or for maintaining, supervising or reviewing records relating to any such ownership.

The Bank retains the right, as a condition of payment of amounts at maturity, to require the surrender for cancellation of any certificate evidencing the Deposits.

7. **Book-Entry System.** On the Issuance Date, the Bank will cause a single global certificate (the “Global Deposit”) evidencing all Deposits purchased pursuant to this offering to be deposited with a depository (initially being CDS) and registered in the name of such depository or its nominee in denominations equal to the aggregate Principal Amount of the Deposits. Registration of interests in and transfers of the Deposits will only be made through the Book-Entry System administered by CDS. Each Holder’s beneficial ownership of Deposits will be shown on the records maintained by the Holder’s broker/dealer, bank, custodian, trust company or other representative that is a participant in CDS (or the relevant depository) or, in certain cases, on the records maintained by the Custodian, as explained more fully below.

Unless and until it is exchanged in whole for Deposits in definitive registered form, the registered Global Deposit may not be transferred except as a whole by and among the depository, its nominee or any successors of such depository or nominee.

Ownership of beneficial interests in a Global Deposit of a series will be limited to persons who hold interests directly or indirectly through persons, called “participants”, that have accounts with the relevant depository or persons who may hold interests through participants. Upon the issuance of a registered Global Deposit, the depository will credit, on its book-entry registration and transfer system, the participants’ accounts with the respective Principal Amounts of the Deposits beneficially owned by the participants who shall designate the accounts to be credited. Ownership of beneficial interests in a registered Global Deposit will be shown on, and the transfer of ownership interests will be effected only through, records maintained by the depository, with respect to interests of participants, and on the records of participants, with respect to interests of persons holding through participants.

So long as the depository, or its nominee, is the registered owner of a registered Global Deposit, that depository or its nominee, as the case may be, will be considered the sole owner or holder of the Deposits represented by the registered Global Deposit for all purposes. Except as described under “Definitive Deposits”, owners of beneficial interests in a registered Global Deposit will not be entitled to have the Deposits represented by the registered Global Deposit registered in their names, will not receive or be entitled to receive physical delivery of the Deposits in definitive form and will not be considered the owners or Holders of Deposits. Accordingly, each person owning a beneficial interest in a registered Global Deposit must rely on the procedures of the depository for that registered Global Deposit and, if that person is not a participant, on the procedures of the participant(s) and the Custodian, if any, through which the person owns their interest, to exercise any rights of a Holder. The Bank understands that under existing industry practices, if the Bank requests any action of Holders or if an owner of a beneficial interest in a registered Global Deposit of a series desires to give or take any action that a Holder is entitled to give or take in respect of the Deposits, the depository for the registered Global Deposit of a series would authorize the participants and the Custodian, if any, holding the relevant beneficial interests to give or take that action, and the participants would authorize beneficial owners owning through them to give or take that action or would otherwise act upon the instructions of beneficial owners holding through them. See “Custodian” below.

8. **Custodian.** The Custodian will hold Deposits (directly or indirectly through its affiliates) for CDS Participants and for non-CDS Participants (including, in certain cases, Holders) in accordance with their respective entitlements as reflected in a register to be maintained by the Custodian solely on the basis of and in reliance upon instructions received from such CDS Participants or non-CDS Participants, as the case may be. Upon receiving amounts payable in respect of Deposits, the Custodian will arrange for payment to CDS Participants and non-CDS Participants (including Holders) in amounts proportional to their respective interests in the Deposits recorded in the register maintained by the Custodian. All records maintained by the Custodian shall, absent manifest error, be final for all purposes and binding on all persons, including the Holders. The Custodian shall not be responsible for its errors if these are made in good faith.
9. **Definitive Deposits.** If the depository for any of the Deposits represented by a registered Global Deposit is at any time unwilling or unable to continue to properly discharge its responsibility as depository, and a successor depository is not appointed by the Bank within 90 days, the Bank will issue Deposits in definitive form in exchange for the registered Global Deposit that has been held by the depository.

In addition, the Bank may at any time and in its sole discretion elect not to have any of the Deposits represented by one or more registered Global Deposits. If the Bank makes that decision, the Bank will issue Deposits in definitive form in exchange for all of the registered Global Deposits representing the Deposits.

Any Deposits issued in definitive form in exchange for a registered Global Deposit will be registered in the name or names that the depository gives to the Bank or its Agent, as the case may be. It is expected that the depository’s instructions will be based upon directions received by the depository from participants with respect to ownership of beneficial interests in the registered Global Deposit that had been held by the depository.

The text of any Deposits issued in definitive form will contain such provisions as the Bank may deem necessary or advisable. The Bank will keep or cause to be kept a register where all registrations and transfers of Deposits will be recorded in definitive form. Such register will be kept at the offices of the paying and transfer agent, or at such other offices notified by the Bank to Holders.

No transfer of a definitive Deposit will be valid unless made at such offices upon surrender of the certificate in definitive form for cancellation with a written instrument of transfer in form and as to execution satisfactory to the Bank or its agent, and upon compliance with such reasonable conditions as may be required by the Bank or its agent and with any requirement imposed by law.

Payments on a definitive Deposit, if issued, will be made by cheque mailed to the applicable registered Holder at the address of the Holder appearing in the aforementioned register in which registrations and transfers of Deposits are to be recorded or, if requested in writing by the Holder at least five Business Days before the date of the payment and agreed to by the Bank, by electronic funds transfer to a bank account nominated by the Holder with a bank in Canada. Payment under any definitive Deposit is conditional upon the Holder first delivering the Deposit to the paying and transfer agent who reserves the right on behalf of the Bank in the case of payment of the Variable Return on the Deposits in full at any time, to retain the Deposit and mark the Deposit as cancelled.

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

The agreement to purchase the Deposits will be entered into (i) if the order to purchase is received via telephone or electronic means, on the day on which the order to purchase is received, and (ii) if the order to purchase is received in person, on the later of the second day following (a) the day on which the Information Statement is provided to the purchaser and (b) the day on which the order to purchase is received. Purchasers will be deemed to have been provided the Information Statement (i) on the day recorded as the time of sending by the server or other electronic transmission system, if provided by electronic means; (ii) on the day recorded as the time of sending by a fax machine, if provided by fax; (iii) five Business Days after the postmark date, if provided by mail; and (iv) when it is received, in any other case.

- 15. Governing Laws.** The Deposits will be governed by and construed in accordance with the laws of the Province of Québec and the laws of Canada applicable therein. Moreover, by subscribing to the Deposits, Holders will be agreeing with the Bank to irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Quebec and Ontario with respect to any matters arising out of this Information Statement or any matter related to the Deposits.

ABOUT THIS INFORMATION STATEMENT

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

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

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

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

(a) this Information Statement;

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

(c) any supplementary terms and conditions provided in any Global Deposit or other definitive Deposit in replacement therefore;

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

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

No securities commission or similar authority has in any way passed upon the merits of the Deposits nor has any commission or similar authority passed on the accuracy or adequacy of this Information Statement and any representation to the contrary may be an offence. This Information Statement contains a summary of the material attributes and characteristics of the Deposits and is entirely qualified by and subject to the global certificate, which contains the full text of such attributes and characteristics. The Bank will provide a copy of the global certificate of the Deposits to any Holder who requests it.

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

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