

Canadian Banks Flex GIC (5 years)

Series 120, Investors Category¹

OFFER PERIOD:

April 11, 2024 to May 8, 2024

ISSUE DATE:

May 15, 2024

MATURITY DATE:

May 15, 2029

TERM:

5 years

PRODUCT CODE:

NBC10960

Investment highlights

- › Minimum Investment: \$500
- › Principal 100% protected at maturity
- › Eligible for the CDIC deposit insurance²
- › Eligible for registered* and non-registered accounts
- › Can be sold back to the Bank on a daily basis**

Guaranteed Interest at maturity	Maximum Interest at maturity
10.00% (1.92% compounded annually)	50.00% (8.45% compounded annually)

The Canadian Banks GIC offers the growth potential of a portfolio composed of the common shares of six Canadian banks (the "Reference Portfolio") while ensuring peace of mind due to capital protection and a Guaranteed Interest at maturity.

The Variable Interest is calculated based on the price performance of the Reference Portfolio (please refer to page 2 for more details on Variable Interest calculation).

Reference Portfolio

Exposure to the common shares of the following six Canadian banks (the “Reference Shares”):

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

The Reference Portfolio Return calculation (as described below) is based on a price return of the Reference Shares and will not take into account dividends and/or distributions paid by the issuers on account of each of the Reference Shares. As of April 1, 2024, the dividends and/or distributions paid on account of all the Reference Shares in the Reference Portfolio represented an annual indicative yield of approximately 4.80%, representing an aggregate yield of approximately 24.00% over the term of the Canadian Banks GIC, assuming that the dividends and/or distributions remain constant and are not reinvested.

Potential Return

On the Maturity Date, investors will be entitled to receive a Variable Interest (as defined below), depending on the performance of the Reference Portfolio.

The potential return on the Reference Portfolio will be limited to the Maximum Interest. No interest or any other amount will be paid during the term of the Canadian Banks GIC. Notwithstanding whether the Reference Portfolio Return is positive or not at maturity, the Canadian Banks GIC will generate the Guaranteed Interest. However, if the Reference Portfolio Return is not greater than the Guaranteed Interest, the Canadian Banks GIC will generate only the Guaranteed Interest in addition to the principal invested on the Issue Date.

Variable Interest Calculation

The Variable Interest payment is calculated as follows:

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

The Reference Portfolio Return at maturity will be no less than the Guaranteed Interest and will be limited to the Maximum Interest.

The Reference Portfolio Return is the arithmetic average of the Reference Share Return of each of the Reference Shares comprising the Reference Portfolio. The Reference Share Return used to calculate the Reference Portfolio Return is based on the average of three Reference Share Prices of each Reference Share determined over the last three months of the term of the Canadian Banks GIC. As a result, a brief period of high market volatility at the end of the term of the Canadian Banks GIC is less likely to have a significant impact on the Variable Interest.

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

Scenario Analysis

The following hypothetical examples are included for illustration purposes. The amounts and all other variables used in the following examples are hypothetical, are rounded for illustration purposes and are not forecasts or projections of the Reference Portfolio Return or the performance of the market-linked GIC. There can be no assurance that the results shown will be achieved.

Hypothetical example of a Maximum Interest

The following table is based on the assumption that closing prices for the Reference Shares will **increase** during the term of the Canadian Banks GIC.

Reference Share	Reference Share Initial Value	Reference Share Price at Average Valuation Date 1 (A)	Reference Share Price at Average Valuation Date 2 (B)	Reference Share Price at Average Valuation Date 3 (C)	Reference Share Final Average Value (A + B + C) / 3	Reference Share Return
Bank of Montreal	\$120.38	\$220.70	\$198.63	\$186.59	\$201.97	67.78%
The Bank of Nova Scotia	\$65.54	\$117.42	\$106.17	\$104.21	\$109.27	66.72%
Canadian Imperial Bank of Commerce	\$55.56	\$100.63	\$91.12	\$84.45	\$92.07	65.71%
National Bank of Canada	\$94.25	\$165.24	\$153.63	\$144.20	\$154.36	63.78%
Royal Bank of Canada	\$124.12	\$231.74	\$199.83	\$187.42	\$206.33	66.23%
The Toronto-Dominion Bank	\$84.10	\$155.80	\$134.56	\$131.11	\$140.49	67.05%
Arithmetic average of the Reference Share Returns						66.21%
Reference Portfolio Return at maturity (Min: 10.00%, Max: 50.00%)						50.00%
Variable Interest payable at maturity (\$1,000 investment)						\$500.00

In this example, the arithmetic average of the Reference Share Returns is 66.21%. The Reference Portfolio Return at maturity is subject to the Maximum Interest of 50.00%. Therefore, the Variable Interest payable at maturity on a \$1,000 investment would be \$500.00, representing an annualized return of approximately 8.45%.

Hypothetical example of a positive Variable Interest

The following table is based on the assumption that closing prices for the Reference Shares will **increase** during the term of the Canadian Banks GIC.

Reference Share	Reference Share Initial Value	Reference Share Price at Average Valuation Date 1 (A)	Reference Share Price at Average Valuation Date 2 (B)	Reference Share Price at Average Valuation Date 3 (C)	Reference Share Final Average Value (A + B + C) / 3	Reference Share Return
Bank of Montreal	\$120.38	\$128.80	\$168.53	\$138.44	\$145.26	20.66%
The Bank of Nova Scotia	\$65.54	\$75.60	\$91.10	\$77.34	\$81.35	24.12%
Canadian Imperial Bank of Commerce	\$55.56	\$64.37	\$74.45	\$67.78	\$68.87	23.95%
National Bank of Canada	\$94.25	\$100.45	\$122.53	\$112.16	\$111.71	18.53%
Royal Bank of Canada	\$124.12	\$144.00	\$175.01	\$145.22	\$154.74	24.67%
The Toronto-Dominion Bank	\$84.10	\$99.65	\$117.74	\$102.60	\$106.66	26.83%
Arithmetic average of the Reference Share Returns						23.13%
Reference Portfolio Return at maturity (Min: 10.00%, Max: 50.00%)						23.13%
Variable Interest payable at maturity (\$1,000 investment)						\$231.30

In accordance with the Variable Interest calculation, the Reference Portfolio Return is 23.13%. The Variable Interest payable at maturity on a \$1,000 investment would be \$231.30 in this example, representing an annualized return of approximately 4.25%.

Hypothetical example of a Guaranteed Interest

The following table is based on the assumption that closing prices for the Reference Shares will **decrease** during the term of the Canadian Banks GIC.

Reference Share	Reference Share Initial Value	Reference Share Price at Average Valuation Date 1 (A)	Reference Share Price at Average Valuation Date 2 (B)	Reference Share Price at Average Valuation Date 3 (C)	Reference Share Final Average Value (A + B + C) / 3	Reference Share Return
Bank of Montreal	\$120.38	\$124.90	\$108.34	\$102.32	\$111.86	-7.08%
The Bank of Nova Scotia	\$65.54	\$64.23	\$60.30	\$53.09	\$59.20	-9.67%
Canadian Imperial Bank of Commerce	\$55.56	\$56.20	\$48.89	\$45.56	\$50.22	-9.62%
National Bank of Canada	\$94.25	\$85.47	\$89.54	\$93.31	\$89.44	-5.11%
Royal Bank of Canada	\$124.12	\$129.62	\$111.71	\$105.50	\$115.61	-6.86%
The Toronto-Dominion Bank	\$84.10	\$87.85	\$75.69	\$71.49	\$78.34	-6.85%
Arithmetic average of the Reference Share Returns						-7.53%
Reference Portfolio Return at maturity (Min: 10.00%, Max: 50.00%)						10.00%
Variable Interest payable at maturity (\$1,000 investment)						\$100.00

Since the Reference Portfolio Return is negative in this example, only the Guaranteed Interest of 10.00% would be payable at maturity, representing an annualized return of approximately 1.92%.

Should you have any questions, do not hesitate to contact your advisor.

1-888-483-5628

www.nbc.ca/optimarket

Legal Notice

Risk Factors

An investment in the Canadian Banks GIC involves a variety of risks which all investors should consider prior to making this investment. These risks are summarized in the Canadian Bank GIC's Information Statement dated April 11, 2024, and you are encouraged to read the Information Statement carefully.

Suitability Considerations and Guidelines

An investment in the Canadian Banks GIC is not suitable for all investors and even if suitable, investors should consider what part the Canadian Banks GIC should serve in an overall investment plan. The Information Statement includes a summary of various suitability considerations and guidelines. You are encouraged to read the Information Statement carefully.

- 1 The Canadian Banks Flex GIC (5 years), Series 120, Investors Category is herein referred to as "Canadian Banks GIC".
- 2 The Canadian Banks GIC is a deposit eligible for deposit insurance by the Canada Deposit Insurance Corporation (CDIC), subject to the maximum dollar limit of CDIC coverage and to applicable conditions. More information about CDIC deposit insurance can be found in the "Protecting Your Deposits" brochure (available online at www.cdic.ca or by telephone at 1-800-461-2342).

This document is for information purposes only and does not constitute an offer to sell or a solicitation to buy the Canadian Banks GIC.

The statements contained herein are based upon information which we believe to be reliable, but we cannot represent that they are complete and accurate. The complete information related to this issue of the Canadian Banks GIC is contained in the Information Statement which will be sent to investors prior to the Issue Date. All information regarding the Canadian Banks GIC is available on the Bank's Internet Banking Solutions, on the website www.nbc.ca, by contacting your branch advisor or by calling 1-888-483-5628.

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

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

NBC Optimarket™ GIC is a trademark of the National Bank of Canada.

© 2024 National Bank of Canada. All rights reserved. Reproduction in whole or in part is strictly prohibited without the prior written authorization of National Bank of Canada.

