

**NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 (AS AMENDED OR SUPERSEDED) FOR THE ISSUE OF NOTES DESCRIBED BELOW.**

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “Prospectus Regulation”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the UK by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 (as amended) as it forms part of domestic law of the UK by virtue of the EUWA. Consequently, no key information document required by the Regulation (EU) No. 1286/2014 (as amended) as it forms part of domestic law of the UK by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**THESE NOTES ARE BAIL-INABLE NOTES AND ARE THEREFORE SUBJECT TO CONVERSION IN WHOLE OR IN PART – BY MEANS OF A TRANSACTION OR SERIES OF TRANSACTIONS AND IN ONE OR MORE STEPS – INTO COMMON SHARES OF NATIONAL BANK OF CANADA OR ANY OF ITS AFFILIATES UNDER SUBSECTION 39.2(2.3) OF THE CANADA DEPOSIT INSURANCE CORPORATION ACT (“CDIC ACT”) AND TO VARIATION OR EXTINGUISHMENT IN CONSEQUENCE AND SUBJECT TO THE APPLICATION OF THE LAWS OF THE PROVINCE OF QUÉBEC AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN IN RESPECT OF THE OPERATION OF THE CDIC ACT WITH RESPECT TO THE NOTES. SEE DESCRIPTION UNDER “RISK FACTORS – RISKS APPLICABLE TO BAIL-INABLE NOTES ON PAGES 42 TO 49 OF THE PROSPECTUS AND CONDITION 3(b) OF THE CONDITIONS ON PAGES 90 AND 91 OF THE PROSPECTUS.**

Please see Appendix 1 hereto for additional Risk Factors related to an investment in the Notes.

The Notes have not been registered and will not be registered with the Financial Services Commission of Korea for a public offering in Korea under the Korea Financial Investment Services and Capital Markets Act (“FSCMA”). The Notes have not been and will not be offered, sold or delivered directly or indirectly, or offered, sold or delivered to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea (as defined in the Foreign Exchange Transactions Law of Korea (“FETL”) and its Enforcement Decree) within 1 year of the issuance of the Notes, except as otherwise permitted under applicable Korean laws and regulations, including the FSCMA and the FETL and the decrees and regulations thereunder. Without prejudice to the foregoing, the number of Notes offered in Korea or to a resident in Korea shall be less than 50 and for a period of one year from the issue date of the Notes, none of the Notes may be divided resulting in an increased number of Notes. By the purchase of a Note, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased such Note pursuant to the applicable laws and regulations of Korea.

Pricing Supplement dated 10 March 2023



## NATIONAL BANK OF CANADA

*(A bank governed by the Bank Act (Canada))*

*(LEI: BSGEFEIOM18Y80CKCV46)*

**Issue of CNH 300,000,000 National Bank of Canada Fixed Rate Notes due 14 March 2026 (the “Notes”)  
under a U.S.\$10,000,000,000 Euro Note Programme**

### **PART A - CONTRACTUAL TERMS**

Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 15 June 2022 as supplemented by the supplements dated 22 August 2022, 7 December 2022 and 3 March 2023 (together, the “**Prospectus**”). This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with such

Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Prospectus. References in the Conditions to “Final Terms” shall be deemed to be references to this Pricing Supplement. The Prospectus, together with the documents incorporated by reference therein are available for viewing during normal business hours and copies may be obtained at the registered office of the Issuer, 4<sup>th</sup> Floor, 600 de La Gauchetière Street West, Montréal, Québec, H3B 4L2, Canada, and at the office of the Fiscal Agent and Transfer Agent, Citibank, N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom.

1. Issuer: National Bank of Canada (the “**Issuer**” or the “**Bank**”)
2. Branch of Account for Notes: Montréal
3. (i) Series Number: 2023-18  
(ii) Tranche Number: 1  
(iii) Date on which the Notes will be consolidated and form a single Series: Not Applicable
4. Specified Currency or Currencies: Chinese Reminbi, the lawful currency of the People’s Republic of China, for settlement by transfer to bank accounts maintained in the Hong Kong Special Administrative Region in accordance with the prevailing laws and regulations (“**CNH**” or “**Renminbi**” or “**RMB**”)
5. Aggregate Nominal Amount:  
(i) Series: CNH 300,000,000  
(ii) Tranche: CNH 300,000,000
6. Issue Price: 100 per cent. of the Aggregate Nominal Amount
7. (i) Specified Denominations: CNH 1,000,000  
(ii) Calculation Amount: CNH 1,000,000
8. (i) Issue Date: 14 March 2023  
(ii) Interest Commencement Date: Not Applicable
9. Maturity Date: Interest Payment Date falling on or nearest to 14 March 2026 (subject to exercise of Issuer Call or other early redemption)
10. Interest Basis: 3.65 per cent. Fixed Rate Note  
(further particulars specified below)
11. Redemption/Payment Basis: Subject to early redemption or purchase, redemption at par on the Maturity Date
12. Change of Interest or Redemption/ Payment Basis: Not Applicable
13. Put/Call Options: Not Applicable
14. Date Board approval for issuance of Notes obtained: Not Applicable

15. Bail-inable Notes: Yes

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

**16. Fixed Rate Note Provisions** Applicable

- (i) Fixed Rate of Interest: 3.65 per cent. per annum payable annually in arrear
- (ii) Interest Payment Date(s): 14 March of each year from and including 14 March 2024 up to and including 14 March 2026, subject to adjustment for payment day and interest accrual purposes in accordance with the Business Day Convention set out in (iii) below
- (iii) Business Day Convention: Following Business Day Convention
- (iv) Additional Business Centre(s): Toronto, New York, , Beijing and Hong Kong
- (v) Fixed Coupon Amount(s): CNH 36,500 per Calculation Amount
- (vi) Broken Amount(s): Not Applicable
- (vii) Day Count Fraction: Actual/365 (Fixed)
- (viii) Determination Dates: Not Applicable
- (ix) Calculation Agent: National Bank of Canada shall be the Calculation Agent
- (x) Range Accruals: Not Applicable
- (xi) Other terms relating to the method of calculating interest for Fixed Rate Notes: Not Applicable

17. **Fixed Rate Reset Note Provisions** Not Applicable

18. **Floating Rate Note Provisions** Not Applicable

19. **Zero Coupon Note Provisions** Not Applicable

20. **Index-Linked Interest/ Other Variable-Linked Interest Note Provisions** Not Applicable

21. **Dual Currency Note Provisions** Not Applicable

#### PROVISIONS RELATING TO REDEMPTION

22. **Issuer Call Option** Not Applicable

23. **Noteholder Put Option** Not Applicable

24.	<b>Early Redemption for Illegality</b>	Applicable
	(i) Minimum Period:	Not less than fifteen (15) Business Days' notice
	(ii) Maximum Period:	Not more than thirty (30) Business Days' notice
25.	<b>Early Redemption for a Disruption Event</b>	Applicable
	(i) Minimum Period:	Not less than fifteen (15) Business Days' notice
	(ii) Maximum Period:	Not more than thirty (30) Business Days' notice
	(iii) Trade Date:	3 March 2023
26.	<b>Early Redemption for Special Circumstance</b>	Applicable
	(i) Minimum Period:	Not less than fifteen (15) Business Days' notice
	(ii) Maximum Period:	Not more than thirty (30) Business Days' notice
27.	<b>Early Redemption for an Administrator/ Benchmark Event</b>	Not Applicable
28.	<b>Bail-inable Notes – TLAC Disqualification Event Call</b>	Not Applicable
29.	<b>Final Redemption Amount</b>	CNH 1,000,000 per Calculation Amount
30.	<b>Early Redemption Amount</b>	CNH 1,000,000 per Calculation Amount
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons, Illegality, Disruption Event, following a Special Circumstance or on Event of Default and/or the method of calculating the same:	

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

31.	Form of Notes:	<b>Bearer Notes:</b>
		Temporary Global Note exchangeable on or after 23 April 2023 for a Permanent Global Bearer Note which is exchangeable for Definitive Bearer Notes in the limited circumstances specified in the Permanent Global Note.

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| 32. | Financial Centre(s) or other special provisions relating to Payment Dates:  | Toronto, New York, , Beijing and Hong Kong |
| 33. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):   | No   |
| 34. | Details relating to Partly-Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable                             |
| 35. | Details relating to Instalment Notes: amount of each instalment (" <b>Instalment Amount</b> "), date on which each payment is to be made (" <b>Instalment Date</b> "):  | Not Applicable                             |
| 36. | Redenomination, renominatisation and reconventioning provisions:  | Not Applicable                             |
| 37. | Consolidation provisions:   | Not Applicable                             |
| 38. | Calculation Agent for purposes of Condition 6(j) RMB Notes) (as the RMB Rate Calculation Agent) (if other than the Agent):  | National Bank of Canada                    |

39. Relevant Renminbi Settlement Centre: Hong Kong
40. Relevant Valuation Time for RMB Notes: Not Applicable
41. Other final terms: See paragraph 48 below
- The Notes are RMB Notes and all relevant provisions applicable to RMB Notes shall apply to the Notes, including but not limited to Condition 6(j)
- Condition 7 is amended so that the following sub-paragraph is added after sub-paragraph (g):
- "or (h) for or on account of any withholding tax or deduction imposed pursuant to proposed amendments to the Income Tax Act (Canada) released by the Minister of Finance (Canada) on April 29, 2022 with respect to "hybrid mismatch arrangements" (the "**Hybrid Mismatch Proposals**")" or any substantially analogous provisions of any finally enacted amendments to the Income Tax Act (Canada)."

#### DISTRIBUTION

42. (i) Method of distribution: Non-syndicated
- (ii) If syndicated, names of Manager(s): Not Applicable
- (iii) Stabilisation Manager(s) (if any): Not Applicable
43. If non-syndicated, name of Dealer(s): Jefferies International Limited
44. US selling restrictions: Regulation S Category 2; TEFRA D Rules applicable

45. Additional selling restrictions: *(including any modifications to those contained in the Prospectus noted above)* **KOREA:** The Notes may not be offered, delivered or sold directly or indirectly in Korea or to any resident of Korea (as defined under the Foreign Exchange Transaction Law of Korea (“**FETL**”) and the regulations thereunder) or to others for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea, except as otherwise permitted under the applicable laws of and regulations of Korea.
- The Notes have not been registered and will not be registered with the Financial Services Commission of Korea for a public offering in Korea under the Korea Financial Investment Services and Capital Markets Act (“**FSCMA**”). The Notes have not been and will not be offered, sold or delivered directly or indirectly, or offered, sold or delivered to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea (as defined in the FETL and its Enforcement Decree) within 1 year of the issuance of the Notes, except as otherwise permitted under applicable Korean laws and regulations, including the FSCMA and the FETL and the decrees and regulations thereunder. Without prejudice to the foregoing, the number of Notes offered in Korea or to a resident in Korea shall be less than 50 and for a period of one year from the issue date of the Notes, none of the Notes may be divided resulting in an increased number of Notes. By the purchase of a Note, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased such Note pursuant to the applicable laws and regulations of Korea.
46. Governing Law and Jurisdiction: Laws of the Province of Québec and the federal laws of Canada applicable therein.
47. The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of 0.14, producing a sum of: U.S.\$ 43,434,197



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| 48. | Additional tax disclosure (or amendments to disclosure in the Prospectus): | The Minister of Finance (Canada) has released certain proposals to amend the <i>Income Tax Act</i> (Canada) with respect to “hybrid mismatch arrangements” (the “ <b>Hybrid Mismatch Proposals</b> ”) which, if enacted, could, where certain conditions are met, have an adverse impact on the Canadian tax treatment to a Noteholder to the extent any amount paid or payable to a Noteholder in respect of the Notes is considered to be the deduction component of a “hybrid mismatch arrangement” under which the payment arises within the meaning of proposed paragraph 18.4(3)(b) of the <i>Income Tax Act</i> (Canada) contained in the “Hybrid Mismatch Proposals”. Noteholders should note that the Hybrid Mismatch Proposals are in consultation form, are highly complex, and there remains significant uncertainty as to their interpretation and application. There can be no assurance that the Hybrid Mismatch Proposals will be enacted in their current form, or at all. Should any payments with respect to the Notes become subject to Canadian withholding tax by reason of the application of the rules contained in the Hybrid Mismatch Proposals, the Bank will withhold tax at the applicable statutory rate and will not make payments of any additional amounts – This is in addition to, and supplements, the circumstances as described in the section entitled “ <i>Terms and Conditions of the Notes — 7. Taxation</i> ” in the Prospectus where the Bank will not pay any additional amounts with respect to any payment in respect of any Senior Note, Receipt or Coupon. |
| 49. | Prohibition of Sales to EEA Retail Investors:                              | Applicable  |
| 50. | Prohibition of Sales to UK Retail Investors:                               | Applicable  |
| 51. | Prohibition of Sales to Belgian Consumers:                                 | Applicable  |

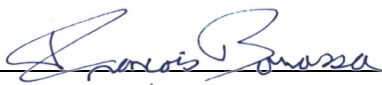
**THIRD PARTY INFORMATION**

Not Applicable

**PURPOSE OF PRICING SUPPLEMENT**

This Pricing Supplement comprises the final terms required for the issue and the admission to trading on the Luxembourg Stock Exchange's Euro MTF Market of the Notes described herein pursuant to the U.S.\$10,000,000,000 Euro Note Programme of National Bank of Canada.

Signed on behalf of National Bank of Canada:

By:  \_\_\_\_\_  
Duly authorised

## PART B - OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

*Listing/Admission to trading:* Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF Market and listed on the official list of the Luxembourg Stock Exchange with effect from or around 14 March 2023

### 2. RATINGS

The Notes to be issued have not been rated.

### 3. USE OF PROCEEDS

Use of Proceeds: Not Applicable

### 4. OPERATIONAL INFORMATION

ISIN: XS2597110969

Common Code: 259711096

CFI Code Not Available

FISN Not Available

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A., their addresses and the relevant identification number(s): Not Applicable

Delivery: Delivery against payment

Name(s) and address(es) of Initial Paying Agent(s), Registrar(s) and Transfer Agent(s): Citibank, N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom

Names and addresses of additional Paying Agent(s) (if any), Registrar(s) or Transfer Agent(s): None

5. ADDITIONAL INFORMATION Not Applicable

## APPENDIX 1

*(This Appendix forms part of the Pricing Supplement to which it is attached)*

### **RISK INFORMATION**

Investors should read the entire Prospectus. Investing in the Notes may involve substantial risks and is suitable only for purchasers who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Prior to making an investment decision, prospective investors should consider carefully, in light of their own financial circumstances and investment objectives, (i) all the information set forth in this Pricing Supplement. Prospective investors should make such enquiries as they deem necessary, including (without limitation) with their own financial, tax and legal advisers, without relying on the Bank or the Dealer.

The risk factor entitled “*Exchange rate risks and exchange controls*” in the Prospectus is replaced by the following:

#### *Exchange Rate risk and exchange controls*

The Bank will pay principal and interest on the Notes in (a) the Specified Currency or (b) if the alternative currency payment provisions apply as set out under “*An investment in Notes is subject to currency risk*” above, in U.S. dollars (such relevant currency of payment being, the “**Settled Currency**”). This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than the Settled Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Settled Currency or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Settled Currency or the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Settled Currency would decrease (1) the Investor’s Currency-equivalent yield on the Notes, (2) the Investor’s Currency-equivalent value of the principal payable on the Notes and (3) the Investor’s Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls or monetary policies that could adversely affect an applicable currency exchange rate or interest rate. As a result, investors may receive less interest or principal than expected, or no interest or principal or receive payments in a significantly devalued Settled Currency.

The additional risk factors set out below must be read in conjunction with the relevant Risk Factors set out in the Prospectus on pages 26 to 78, and in particular including the section headed “*Senior Notes denominated in Renminbi are subject to additional risks*” on pages 62 to 64 thereof.

#### **The Notes are not suitable for all investors**

An investor should reach a decision to invest in the Notes after carefully considering, in conjunction with his or her advisors, the suitability of the Notes in light of his or her investment objectives and the other information set out in the Pricing Supplement and in the Prospectus.

There can be no assurance that the Notes will show any positive return. Moreover, the value of an investment in the Notes may diminish over time owing to inflation and other factors that adversely

affect the present value of future payments. Accordingly, an investment in the Notes may result in a lower return when compared to other investment alternatives. The Notes are designed for investors who are prepared to hold the Notes to maturity. Prospective purchasers should take into account certain risks associated with an investment in the Notes which are described under “Risk Factors” in the Prospectus, as well as any additional risks described in the Pricing Supplement.

### **Liquidity and early sale risk**

There is currently no established trading market for the Notes, and one may never develop. Accordingly, investors must be prepared to hold their Notes until maturity. There may not be any (or there may only be a very limited) secondary market for the Notes. Investors who cannot accept that the secondary market is limited in this way should not invest in the Notes. None of the Issuer, the Dealer, or any other person intends to create, or is obliged to create, a secondary trading market for the Notes. There is no guarantee that a secondary market will exist.

Investors seeking to liquidate/sell positions in the Notes prior to the stated Maturity Date may receive substantially less than their original purchase price.

### **Early Redemption for Illegality, Special Circumstance or Disruption Event at the option of the Issuer**

Upon the occurrence of an Illegality, a Special Circumstance or a Disruption Event as provided in paragraphs 24, 25 and 26 of Part A of the Pricing Supplement, the Issuer may redeem the Notes early upon the payment to each Noteholder of an amount in respect of each equal to the fair market value of each Note in accordance with the terms of paragraph 30 of Part A of the Pricing Supplement. In such circumstances, the Notes may be redeemed prior to the Maturity Date for substantially less than their original purchase price or originally expected principal and interest amounts and may not pay any accrued interest.

### **Reinvestment Risk**

If the Notes are redeemed early prior to a scheduled maturity following an Illegality, a Special Circumstance, a Disruption Event, for taxation reasons or upon the occurrence of an Event of Default, an investor may not be able to reinvest the proceeds at an effective interest rate as high as the interest rate or yield (or potential interest rate or yield) on the Notes being redeemed and may only be able to do so at a significantly lower rate. Investors should consider such reinvestment risk in light of the investments available.

### **Adjustments by the Calculation Agent**

The terms and conditions of the Notes allow the Calculation Agent to make adjustments or take any other appropriate action if circumstances occur where the Notes or any calculations or other acts thereunder are affected by disruption events, adjustment events or circumstances affecting normal activities.

### **A Note's purchase price may not reflect its inherent value**

Prospective investors in the Notes should be aware that the purchase price of a Note does not necessarily reflect its inherent value. Any difference between a Note's purchase price and its inherent value may be due to a number of different factors including, without limitation, prevailing market conditions and fees, discounts or commissions paid or earned by the various parties involved in structuring and/or distributing the Note. For further information prospective investors should refer

to the party from whom they are purchasing the Notes. Prospective investors may also wish to seek an independent valuation of Notes prior to their purchase.

### **Tax Treatment**

The tax treatment of any amount to be paid to the Noteholder in relation to the Notes may reduce such Noteholder's effective yield on the Notes.

Significant tax aspects of the tax treatment of the Notes may be uncertain. In addition, tax treatment may change before the maturity or redemption of the Notes. Prospective investors should consult their tax advisers about their own tax treatment.

The Issuer, Dealer and Calculation Agent and/or their respective affiliates are not tax advisors and do not provide tax advice. Responsibility for any tax implications of an investment in the Notes rests entirely with each investor. Investors should note that the tax treatment of the Notes may differ from jurisdiction to jurisdiction. The Minister of Finance (Canada) has released certain proposals to amend the Income Tax Act (Canada) with respect to "hybrid mismatch arrangements" (the "Hybrid Mismatch Proposals") which, if enacted, could, where certain conditions are met, have an adverse impact on the Canadian tax treatment to a Noteholder to the extent any amount paid or payable to a Noteholder in respect of the Notes is considered to be the deduction component of a "hybrid mismatch arrangement" under which the payment arises within the meaning of proposed paragraph 18.4(3)(b) of the Income Tax Act (Canada) contained in the "Hybrid Mismatch Proposals". Noteholders should note that the Hybrid Mismatch Proposals are in consultation form, are highly complex, and there remains significant uncertainty as to their interpretation and application. There can be no assurance that the Hybrid Mismatch Proposals will be enacted in their current form, or at all. Should any payments with respect to the Notes become subject to Canadian withholding tax by reason of the application of the rules contained in the Hybrid Mismatch Proposals, the Bank will withhold tax at the applicable statutory rate and will not make payments of any additional amounts as described in the section entitled "Terms and Conditions of the Notes — 7. Taxation" in the Prospectus.

Investors should consult their own tax advisors with respect to their particular circumstances.

### **Credit Risk**

Investors in the Notes are exposed to the credit risk of the Issuer, which may vary over the term of the Notes.

### **Leverage Risk**

Borrowing to fund the purchase of the Notes ('external leveraging') can have a significant negative impact on the value of and return on the investment. Investors considering leveraging the Notes in this manner should obtain further detailed information as to the applicable risks from the leverage provider. If the investor obtains external leverage for the investment, the investor should make sure it has sufficient liquid assets to meet the margin requirements in the event of market movements adverse to the investor's position. In such case, if the investor does not make the margin payments then the investor's investment in the Notes may be liquidated with little or no notice.

### **Compounding of Risks**

An investment in the Notes involves risks and should only be made after assessing the direction, timing and magnitude of potential future market changes (e.g. in the value of the reference

underlyings, interest rates, etc.), as well as the terms and conditions of the Notes. More than one risk factor may have simultaneous effects with regard to the Notes such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect, which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Notes.

**No reliance**

Each holder of the Notes may not rely on the Issuer, the Dealer, or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes.

Prospective investors should refer to the Prospectus relating to the Issuer's EMTN Program and the Pricing Supplement relating to the Notes for further risk factor and sales restriction information, including the above risk factor about liquidity and early sale.