



NATIONAL BANK OF CANADA
Fixed Rate Sustainable Notes due December 7, 2026
Final Term Sheet

Issuer:	National Bank of Canada (the "Issuer")
Issue:	3-year Fixed Rate Sustainable Notes (the "Senior Notes")
Expected Credit Ratings¹:	DBRS: AA (low) S&P: BBB+ Moody's: A3 Fitch: A+
Rank:	The Senior Notes will be direct unsecured liabilities of the Issuer ranking <i>pari passu</i> with all present and future unsecured and unsubordinated liabilities of the Issuer (except as otherwise prescribed by law) and without any preference among themselves.
Principal Amount:	CAD 500 million
Trade Date:	December 4, 2023
Settlement Date:	December 7, 2023 (T + 3)
Maturity Date:	December 7, 2026
Coupon:	4.968% per annum, payable in equal semi-annual payments
Issue Price:	CAD 100.000
Issue Yield:	4.968%
Issue Spread:	120 basis points over the interpolated Government of Canada ("GoC") curve (GoC 1.00% due September 1, 2026 and GoC 1.25% due March 1, 2027) 115.9 basis points (includes a -4.1 basis points curve adjustment) over the GoC 1.00% due September 1, 2026 (priced at \$92.765 to yield 3.809%)
Coupon Payment Dates:	Interest will be paid in arrears on June 7 and December 7 each year, commencing June 7, 2024 until the Maturity Date. If the Coupon Payment Date is not a Business Day, interest shall be calculated to and paid on the next Business Day (Actual / 365 days).
Business Days:	Days banks are open for business in Toronto, Ontario.
Redemption:	Not redeemable prior to Maturity Date.
CDIC:	The Senior Notes do not constitute deposits that are insured under the <i>Canada Deposit Insurance Corporation Act</i> (the "CDIC Act").
Bail-inable Notes / Canadian Bank Resolution Powers Acknowledgement:	The Senior Notes are bail-inable notes 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 the Issuer or any of its affiliates under subsection 39.2(2.3) of the <i>CDIC Act</i> 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 <i>CDIC Act</i> with respect to the Senior Notes. For a description of Canadian bank resolution powers and the consequent risk factors attaching to the Senior Notes reference is made to https://www.nbc.ca/content/dam/bnc/a-propos-de-nous/relations-investisseurs/fonds-propres-et-dette/bail-in_senior_debt_en.pdf which information is hereby incorporated by reference.
Subsequent Holders:	Each holder or beneficial owner of a Senior Note that acquires an interest in the Senior Note in the secondary market and any successors, assigns, heirs, executors, administrators, trustees in

¹ A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

bankruptcy and legal representatives of any such holder or beneficial owner shall be deemed to acknowledge, accept, agree to be bound by and consent to the same provisions specified in the Senior Note to the same extent as the holders or beneficial owners that acquire an interest in the Senior Note upon its initial issuance, including, without limitation, with respect to the acknowledgement and agreement to be bound by and consent to the terms of the Senior Note related to the bail-in regime.

- Selling Restrictions:** This Term Sheet does not constitute an offer or invitation by anyone in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or invitation. The distribution of this Term Sheet and the offering or sale of the Senior Notes in some jurisdictions may be restricted by law. This Term Sheet constitutes an offering of the Senior Notes only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale and then only through persons duly qualified to effect such sales. The Senior Notes have not been and will not be registered under the *United States Securities Act of 1933* and should not be offered or sold within the United States.
- Documentation:** No offering memorandum, prospectus, sales or advertising literature, or any other document describing or purporting to describe the business and affairs of the Issuer has been prepared or is being provided to prospective purchasers in order to assist them in making an investment decision in respect of the Senior Notes.
- This Term Sheet does not address the various consequences of ownership of the Senior Notes, including tax consequences. Prospective investors should consult their own legal and tax advisors before making an investment in the Senior Notes.
- CUSIP / ISIN:** 63306AHU3/ CA63306AHU30
- Events of Default:** Non-payment of principal and interest when due for a period of thirty (30) Business Days and acts of insolvency. Default rights may not be exercised where an order has been made pursuant to s. 39.13(1) of the *CDIC Act* in respect of the Issuer. The Senior Notes will remain subject to bail-in conversion until repaid in full.
- Set-Off:** The holders and beneficial owners of the Senior Notes will not be entitled to exercise, or direct the exercise of, any set-off or netting rights with respect to the Senior Notes.
- Use of proceeds:** The proceeds of the Senior Notes will be used for the financing and/or refinancing, in whole or in part, of future or existing eligible businesses and eligible projects, including the Issuer's own operations, the whole in accordance with the Issuer's 2022 Sustainability Bond Framework (as may be amended or updated from time to time) available on the following webpage: <https://www.nbc.ca/content/dam/bnc/a-propos-de-nous/reliations-investisseurs/fonds-propres-et-dette/2022/na-sustainability-bond-framework-2022.pdf> (the "Framework"). The contents of such website are not incorporated by reference into this term sheet.
- The proceeds of the Senior Notes will be deposited in the general funding accounts of the Issuer. An amount equal to the proceeds will be earmarked for allocation in the Sustainability Bond Register (as defined in the Framework) in accordance with the Framework.
- The Issuer intends to maintain an aggregate amount of assets relating to eligible businesses and eligible projects that is at least equal to the aggregate proceeds of all sustainable notes that are outstanding from time to time. The Issuer intends to fully allocate proceeds from the Senior Notes within a period of 18 months from issuance.
- Until an amount equal to the proceeds of the Senior Notes have been fully allocated, such proceeds may be invested according to the Issuer's normal liquidity management activities.
- No Event of Default:** Failure by the Issuer to allocate the proceeds of the Senior Notes as described in the Framework or to publish the Sustainability Bond Report (as defined in the Framework) on its website or update the same, failure by external assurance providers to opine on the conformity of the Sustainability Bond Report, or failure of any of the businesses and projects funded with the proceeds of the Senior Notes



to meet the Framework will not constitute an event of default with respect to the Senior Notes or give rise to any other claim of a holder of such Senior Notes against the Issuer.

- Governing Law:** Québec and the federal laws of Canada applicable therein
- Attornment:** Courts of the Province of Québec
- Language:** Each investor confirms its express wish that all documents evidencing or relating to the sale of the Notes and all other documentation be drafted in the English language. Chaque investisseur confirme sa volonté expresse que tous les documents attestant de la vente des billets ou s'y rapportant ainsi que tous les autres documents s'y rattachant soient rédigés en langue anglaise.
- Form:** Book-entry only, through participants in CDS
- Agent:** National Bank Financial Inc.