



NATIONAL BANK OF CANADA

(a Canadian chartered bank)

CAD 10,000,000,000

Legislative Global Covered Bond Programme

unconditionally and irrevocably guaranteed as to payments by

NBC COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP

(a limited partnership formed under the laws of Ontario)

This Supplement (the “**Supplement**”) to the base prospectus dated 12 September 2017, (the “**Prospectus**”), which comprises a base prospectus under Article 5.4 of the Prospectus Directive for National Bank of Canada (“**NBC**”, the “**Bank**” or the “**Issuer**”), constitutes a supplementary prospectus in respect of the base prospectus for NBC for purposes of Section 87G of the *Financial Services and Markets Act 2000* (as amended, the “**FSMA**”) and is prepared in connection with the CAD 10,000,000,000 Legislative Global Covered Bond Programme of NBC, unconditionally and irrevocably guaranteed as to payments by NBC Covered Bond (Legislative) Guarantor Limited Partnership (the “**Guarantor**”), established by NBC.

Terms defined in the Prospectus have the same meaning when used in this Supplement. The Supplement is supplemental to, and shall be read in conjunction with, the Prospectus. This Supplement has been approved by the United Kingdom Financial Conduct Authority, which is the United Kingdom competent authority for the purposes of the Prospectus Directive and relevant implementing measures in the United Kingdom, as a supplement to the Prospectus.

NBC and the Guarantor accept responsibility for the information in this Supplement. To the best of the knowledge of NBC and the Guarantor, having taken reasonable care to ensure that such is the case, the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

The purpose of this Supplement is to: (i) incorporate by reference in the Prospectus NBC’s: (a) 2017 Annual Information Form (as defined below); (b) latest audited annual results (including management’s discussion and analysis thereof); and (c) monthly investor reports for the months of August 2017, September 2017 and October 2017, containing information on the Covered Bond Portfolio; (ii) update the section of the Prospectus entitled “*Credit Structure – Reserve Fund*”; and (iii) update the section of the Prospectus entitled “*Glossary*”.

Save as disclosed in this Supplement, no significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus which is capable of affecting the assessment of Covered Bonds issued under the Programme has arisen or been noted, as the case may be, since the publication of the Prospectus.

THE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY CANADA MORTGAGE AND HOUSING CORPORATION (“**CMHC**”) NOR HAS CMHC PASSED UPON THE ACCURACY OR ADEQUACY OF THIS SUPPLEMENTARY PROSPECTUS. THE COVERED BONDS ARE NOT INSURED OR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Prospectus by this Supplement and (b) any other statement in, or incorporated by reference in, the Prospectus prior to the date of this Supplement, the statements in (a) above will prevail.

I. By virtue of this Supplement the section entitled “Documents Incorporated by Reference” shall be supplemented as follows:

The following documents which have previously been published by the Issuer or are published simultaneously with this Supplement are hereby incorporated in, and form part of, the Prospectus:

- (a) the Bank’s Annual Information Form dated 30 November 2017 (the “**2017 Annual Information Form**”);
- (b) the following sections of the Bank’s Annual Report for the year ended 31 October 2017 (the “**2017 Annual Report**”) which are incorporated by reference in the 2017 Annual Information Form:
 - (i) Management’s Discussion and Analysis of the Bank for the fiscal year ended 31 October 2017 on pages 9 to 106 of the 2017 Annual Report;
 - (ii) a discussion of major economic trends on page 17 of the 2017 Annual Report;
 - (iii) a business segment analysis on pages 21 to 33 of the 2017 Annual Report;
 - (iv) a discussion of securitization and off-balance sheet arrangements on pages 39 to 40 of the 2017 Annual Report;
 - (v) a discussion of critical accounting estimates on pages 88 to 91 of the 2017 Annual Report;
 - (vi) information concerning risk management on pages 51 to 87 of the 2017 Annual Report;
 - (vii) a description of the Bank’s share capital on pages 167 to 169 of the 2017 Annual Report;
 - (viii) information concerning principal subsidiaries of the Bank on page 191 of the 2017 Annual Report; and
 - (ix) the Bank’s audited consolidated financial statements for the years ended 31 October 2017 and 2016, together with the notes thereto and the independent auditor’s report thereon dated 30 November 2017 on pages 107 through 199 of the 2017 Annual Report, included therein,

the remainder of the 2017 Annual Report is either not relevant for prospective investors or is covered elsewhere in the Prospectus and is not incorporated by reference;
- (c) NBC’s monthly (unaudited) Investor Report containing information on the Covered Bond Portfolio as at the Calculation Date falling on 31 August 2017 (the “**August Investor Report**”);
- (d) NBC’s monthly (unaudited) Investor Report containing information on the Covered Bond Portfolio as at the Calculation Date falling on 29 September 2017 (the “**September Investor Report**”); and
- (e) NBC’s monthly (unaudited) Investor Report containing information on the Covered Bond Portfolio as at the Calculation Date falling on 31 October 2017 (the “**October Investor Report**” and together with the August Investor Report and the September Investor Report, the “**Investor Reports**”).

II. By virtue of this Supplement the section of the Prospectus entitled “Credit Structure” shall be supplemented as follows:

The first paragraph of the section of the Prospectus entitled “*Credit Structure - Reserve Fund*” is deleted and replaced with the following:

