



NATIONAL BANK OF CANADA

(a Canadian chartered bank)

U.S.\$7,000,000,000

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 Prospectus dated 4 November 2013, as supplemented by the 1st Supplementary Prospectus dated 6 December 2013 (together, 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 U.S.\$7,000,000,000 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 incorporate by reference in the Prospectus NBC’s latest (i) unaudited interim results (including management’s discussion and analysis thereof), (ii) Management Proxy Circular, and (iii) monthly investor reports for the months of December 2013 and January and February 2014, containing information on the Covered Bond Portfolio.

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 1st Supplementary Prospectus dated 6 December 2013.

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.

Investors should be aware of their rights under Section 87Q(4)-(6) of the FSMA. An investor which has agreed, prior to the date of publication of this Supplement, to purchase or subscribe for Covered Bonds issued under the Programme, where the securities have not been delivered prior to the publication of this Supplement, may withdraw such acceptance before the end of the period of two working days beginning with the first working day after the date on which this

Supplement is published in accordance with the Prospectus Directive. This right to withdraw shall expire by close of business on 17 March 2014. Investors wishing to withdraw their acceptances should contact their brokers for details.

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, the statements in (a) above will prevail.

DOCUMENTS INCORPORATED BY REFERENCE

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 following sections of the Bank's Report to Shareholders for the quarter ended 31 January 2014 (the "**2014 First Quarter Report**"):
 - (i) management's discussion and analysis on pages 3 to 34; and
 - (ii) the unaudited interim condensed consolidated financial statements for the three-month period ended 31 January 2014, with comparative unaudited interim condensed consolidated financial statements, including the notes thereto, for the three-month period ended 31 January 2013, prepared in accordance with IFRS, set out on pages 35 to 67,the remainder of the 2014 First Quarter Report is not relevant for prospective investors or is covered elsewhere in the Prospectus and is not incorporated by reference;
- (b) information regarding independent auditor's fees on page 4 of the Bank's Management Proxy Circular dated 21 February 2014 (the "**2013 Management Proxy Circular**"); the remainder of the 2013 Management Proxy Circular is 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 December 2013 (the "**December Investor Report**");
- (d) NBC's monthly (unaudited) Investor Report containing information on the Covered Bond Portfolio as at the Calculation Date falling on 31 January 2014 (the "**January Investor Report**"); and
- (e) NBC's monthly (unaudited) Investor Report containing information on the Covered Bond Portfolio as at the Calculation Date falling on 28 February 2014 (the "**February Investor Report**" and together with the December Investor Report and the January Investor Report, the "**Investor Reports**").

A copy of each of the 2014 First Quarter Report, the 2013 Management Proxy Circular and the Investor Reports has been filed with Morningstar plc (appointed by the United Kingdom Financial Conduct Authority to act as the National Storage Mechanism), and is available for viewing at <http://www.morningstar.co.uk/uk/NSM>.

To the extent that any document or information incorporated by reference in this Supplement, itself incorporates any information by reference, either expressly or impliedly, such information will not form part of this Supplement for the purposes of the Prospectus Directive, except where such information or documents are stated within this Supplement as specifically being incorporated by reference or where this Supplement is specifically defined as including such information.

Copies of this Supplement, the Prospectus and the documents incorporated by reference in either can be (i) viewed on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name of the Issuer and the headline “Publication of Prospectus” and (ii) obtained without charge from the Issuer at 600 De La Gauchetière Street West, Montréal, Québec, Canada H3B 4L2, Attention: Investor Relations and the specified office each Paying Agent set out at the end of the Prospectus.