



NATIONAL BANK OF CANADA

(a Canadian chartered bank)

CAD 12,000,000,000

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 27 September 2018 (the “**Prospectus**”), which comprises a base prospectus under Article 5.4 of the Prospectus Directive for National Bank of Canada (“**NBC**” or the “**Bank**”), 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 12,000,000,000 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) 2018 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 September 2018 and October 2018, containing information on the Covered Bond Portfolio; (ii) update certain references to the Sterling Overnight Index Average; (iii) update the notices related to the product classification under Singapore law; (iv) 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 Bank 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 4 December 2018 (the “**2018 Annual Information Form**”);
- (b) the following sections of the Bank’s Annual Report for the year ended 31 October 2018 (the “**2018 Annual Report**”) which are incorporated by reference in the 2018 Annual Information Form:
 - (i) Management’s Discussion and Analysis of the Bank for the fiscal year ended 31 October 2018 on pages 9 to 102 of the 2018 Annual Report;
 - (ii) a discussion of major economic trends on page 15 of the 2018 Annual Report;
 - (iii) a business segment analysis on pages 19 to 36 of the 2018 Annual Report;
 - (iv) a discussion of securitization and off-balance sheet arrangements on pages 41 to 42 of the 2018 Annual Report;
 - (v) a discussion of critical accounting estimates on pages 88 to 91 of the 2018 Annual Report;
 - (vi) information concerning risk management on pages 52 to 87 of the 2018 Annual Report;
 - (vii) a description of the Bank’s share capital on pages 179 to 181 of the 2018 Annual Report;
 - (viii) information concerning principal subsidiaries of the Bank on page 202 of the 2018 Annual Report; and
 - (ix) the Bank’s audited consolidated financial statements for the years ended 31 October 2018 and 2017, together with the notes thereto and the independent auditor’s report thereon dated 4 December 2018 on pages 103 to 208 of the 2018 Annual Report, included therein,

the remainder of the 2018 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 28 September 2018 (the “**September Investor Report**”); and
- (d) NBC’s monthly (unaudited) Investor Report containing information on the Covered Bond Portfolio as at the Calculation Date falling on 31 October 2018 (the “**October Investor Report**” and together with the September Investor Report, the “**Investor Reports**”).

II. By virtue of this Supplement, the sections of the Prospectus entitled (A) Cover Page and (B) Terms and Conditions of the Covered Bonds are supplemented as follows:

A. The following disclaimer on the cover page is deleted and replaced with the following:

“Amounts payable under the Covered Bonds may be calculated by reference to the London Inter-Bank Offered Rate (“**LIBOR**”), the Euro Inter-Bank Offered Rate (“**EURIBOR**”) or Sterling Overnight Index Average (“**SONIA**”) which are provided by ICE Benchmark Administration Limited (“**IBA**”), the European Money Markets Institute (“**EMMI**”) and the Bank of England, respectively. As at the date of this Prospectus, EMMI and the Bank of England do not appear on the register of administrators and benchmarks established and maintained by the European

Securities and Markets Authority (“ESMA”) pursuant to Article 36 of the Benchmark Regulation (EU) 2016/1011 (the “**Benchmarks Regulation**”). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply to EURIBOR, such that EMMI is not currently required to obtain authorisation (or, if located outside the European Union, recognition, endorsement or equivalence). As a central bank, the Bank of England is not subject to the Benchmarks Regulation.”

B. The definition of Interest Determination Date in Condition 5.09 is deleted and replaced with the following:

“**Interest Determination Date**” means, in respect of any Interest Period, the date specified as such in the applicable Final Terms or, if none is so specified:

- (i) in the case of Covered Bonds denominated in Pounds Sterling (and the Reference Rate is other than SONIA) or in another currency if so specified in the applicable Final Terms, the first day of such Interest Period; or
- (ii) in any other case, the date falling two London Banking Days (or, in the case of EURIBOR or EUROLIBOR, two TARGET2 Business Days) prior to the first day of such Interest Period.”

III. By virtue of this Supplement, the sections of the Prospectus entitled (A) Important Notices; (B) Pro Forma Final Terms; and (C) Glossary are supplemented as follows:

A. The following notice in the section entitled “Important Notices” is deleted and replaced with the following:

“PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE - Unless otherwise stated in the applicable Final Terms, all Covered Bonds issued under the Programme shall be capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Specified Investment Products (as defined in the Monetary Authority of Singapore (the “MAS”) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).”

B. The following legend in the section entitled “Pro Forma Final Terms” is deleted and replaced with the following:

“**[NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE** (the “SFA”) – *[To insert notice if product classification of the Covered Bonds is not “capital markets products other than prescribed capital markets products” pursuant to Section 309B of the SFA or “Specified Investment Products” (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)]*”

C. The following defined term is removed from the section entitled “Glossary”:

“Interest Accrual Period”

Copies of the 2018 Annual Information Form, pages 9 to 208 of the 2018 Annual Report and the Investor Reports have 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

¹ Relevant Dealer(s) to consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

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 Bank and the headline “Publication of Prospectus” and (ii) obtained without charge from the Bank 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.