

FINAL TERMS

Final Terms dated March 9, 2018



**NATIONAL BANK OF CANADA**

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*(a Canadian chartered bank)*

Issue of €750,000,000 0.750% Series CBL7 Covered Bonds due March 13, 2025  
under the

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)*

**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 THESE FINAL TERMS. THE COVERED BONDS ARE NOT INSURED OR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.**

**THE COVERED BONDS DESCRIBED IN THESE FINAL TERMS HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, THE COVERED BONDS MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS.**

The Guarantor is not now, and immediately following the issuance of the Covered Bonds pursuant to the Trust Deed will not be, a “covered fund” for purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended, commonly known as the “Volcker Rule.” In reaching this conclusion, although other statutory or regulatory exemptions under the Investment Company Act of 1940, as amended, and under the Volcker Rule and its related regulations may be available, the Guarantor has relied on the exemption from registration set forth in Section 3(c)(5) of the Investment Company Act of 1940, as amended. See “Certain Investment Company Act Considerations” in the Prospectus dated September 12, 2017.

**Prohibition of Sales to EEA Retail Investors**

The Covered Bonds 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 (“EEA”). For these purposes, a retail investor means a person who is on (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 2002/92/EC (“IMD”), 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 Directive 2003/71/EU, as amended including by Directive 2010/73/EU (the “Prospectus Directive”). Consequently no key information document required by Regulation (EU) No 1286/2014 (the “PRIIPs Regulation”) for offering or selling the Covered Bonds or otherwise

making them available to retail investors in the EEA has been prepared and therefore offering of selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET**  
- Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

### **PART A—CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Prospectus dated September 12, 2017 and the supplemental Prospectuses dated December 13, 2017 and March 1, 2018 (which together constitute a base prospectus for the purposes of the Prospectus Directive which term includes any relevant implementing measures in the United Kingdom). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus as so supplemented. Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and the Prospectus as so supplemented. The Prospectus and the supplemental Prospectuses, together with these Final Terms and all documents incorporated by reference therein, are available for viewing 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 National Bank of Canada and the headline "Publication of Prospectus" and copies may be obtained from the specified offices of the Issuer and the Issuing and Paying Agent, as set out at the end of this Prospectus.

- |    |                                                        |                                                              |
|----|--------------------------------------------------------|--------------------------------------------------------------|
| 1. | (i) Issuer:                                            | National Bank of Canada                                      |
|    | Branch:                                                | Head office of the Bank in Montréal                          |
|    | (ii) Guarantor:                                        | NBC Covered Bond (Legislative) Guarantor Limited Partnership |
| 2. | (i) Series Number:                                     | CBL7                                                         |
|    | (ii) Tranche Number:                                   | 1                                                            |
|    | (iii) Date on which the Covered Bonds become fungible: | Not Applicable                                               |
| 3. | Specified Currency or Currencies:                      | Euro (EUR)                                                   |
|    | (Condition 1.10)                                       |                                                              |
| 4. | Aggregate Principal Amount:                            |                                                              |
|    | (i) Series:                                            | EUR 750,000,000                                              |
|    | (ii) Tranche:                                          | EUR 750,000,000                                              |

5. Issue Price: 99.830% of the Aggregate Principal Amount
6. (i) Specified Denominations: Minimum denomination of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000. No Covered Bonds in definitive form will be issued with a denomination above EUR 199,000.
- (Condition 1.08 or 1.09)
- (ii) Calculation Amount: EUR 1,000
7. (i) Issue Date: March 13, 2018
- (ii) Interest Commencement Date: Issue Date
8. (i) Final Maturity Date: March 13, 2025
- (ii) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee: March 13, 2026
9. Interest Basis: 0.750 per cent per annum. Fixed Rate from (and including) the Interest Commencement Date to (but excluding) the Final Maturity Date.
- If applicable in accordance with item 15 below, 1-month EURIBOR + 0.16 per cent. per annum. Floating Rate from (and including) the Final Maturity Date to (but excluding) the Extended Due for Payment Date, subject to a minimum interest rate of 0.000 per cent. (further particulars specified in item 15 below)
10. Redemption/Payment Basis: Redemption at par
11. Change of Interest Basis: Applicable if and only to the extent that item 15 below applies to the Covered Bonds.
12. Put/Call Options: Not Applicable
13. Date of Board approval for issuance of Covered Bonds obtained: Not Applicable

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

14. Fixed Rate Covered Bond Provisions: Applicable from and including the Interest Commencement Date, to but excluding the Final Maturity Date
- (Condition 5.02)
- (i) Rate of Interest: 0.750 per cent. per annum payable annually in arrears on each Interest Payment Date

- (ii) Interest Payment Dates: March 13 in each year up to and including the Final Maturity Date, commencing March 13, 2019 (provided however that after the Extension Determination Date, the Interest Payment Date shall be monthly)
- (iii) Business Day Convention: Following Business Day Convention
- (iv) Fixed Coupon Amount(s): EUR 7.50 per Calculation Amount
- (v) Broken Amount(s) Not Applicable
- (vi) Day Count Fraction: Actual/Actual (ICMA)
- (vii) Determination Dates: March 13 in each year
15. Floating Rate Covered Bond Provisions: Applicable from and including the Final Maturity Date to but excluding the Extended Due for Payment Date
- (Condition 5.03)
- (i) Interest Period(s): The first Interest Period shall comprise of the period from and including the Final Maturity Date to but excluding the first Specified Interest Payment Date. The Interest Periods shall, thereafter, be the period from and including each Specified Interest Payment Date to but excluding the next following Specified Interest Payment Date.
- (ii) Specified Interest Payment Dates: The Specified Interest Payment Dates shall be monthly on the 13 day of each month from but excluding the Final Maturity Date to and including the Extended Due for Payment Date, unless redeemed in full prior to such Extended Due for Payment Date, subject to adjustment in accordance with the Business Day Convention specified in item 15(iii) below.
- (iii) Business Day Convention: Modified Following Business Day Convention
- (iv) Financial Centre(s): Toronto, Montréal, London and a TARGET2 Business Day
- (v) Manner in which the Rate(s) of Interest is/are to be determined: Screen Rate Determination
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Agent): Not Applicable
- (vii) Screen Rate Determination: Applicable
- Reference Rate: 1-month EURIBOR
- Interest Determination Date(s) The second TARGET2 Business Day prior to the start of each Interest Period
- Relevant Screen Page Reuters EURIBOR01

– Relevant Time:	11:00 a.m. (Central European Time)
– Reference Banks:	Has the meaning given in the ISDA Definitions
(viii) ISDA Determination:	Not Applicable
(ix) Margin(s):	+ 0.16 per cent. per annum
(x) Linear Interpolation (Condition 5.10)	Not Applicable
(xi) Minimum Interest Rate:  (Condition 5.05)	0.000 per cent. per annum
(xii) Maximum Interest Rate:  (Condition 5.05)	60.00 per cent. per annum
(xiii) Day Count Fraction:	Actual/360
16. Zero Coupon Covered Bond Provisions: (Condition 5.11)	Not Applicable

**PROVISIONS RELATING TO REDEMPTION**

17. Call Option  (Condition 6.03)	Not Applicable
18. Put Option  (Condition 6.06)	Not Applicable
19. Final Redemption Amount of each Covered Bond	EUR 1,000 per Calculation Amount
20. Early Redemption Amount:  Early Redemption Amount(s) payable on redemption for taxation reasons or illegality or upon acceleration following an Issuer Event of Default or Guarantor Event of Default and/or the method of calculating the same: (Conditions 6.02, 6.13 or 7)	EUR 1,000 per Calculation Amount

**GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS**

21. Form of the Covered Bonds:	Bearer Covered Bonds:  Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for
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Bearer Definitive Covered Bonds only after an Exchange Event

22. New Global Covered Bond: Yes
23. Financial Centre(s) or other special provisions relating to payment dates: Toronto, Montréal, London and a TARGET2 Business Day
24. Talons for future Coupons or Receipts to be attached to Definitive Covered Bonds (and dates on which such Talons mature): (Condition 1.06) No
25. Details relating to Instalment Covered Bonds: amount of each instalment, date on which each payment is to be made: (Condition 6.12) (i) Instalment Amount(s): Not Applicable (ii) Instalment Date(s): Not Applicable


**THIRD PARTY INFORMATION**

Not Applicable


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Signed on behalf of the Issuer:

By:   
Duly authorized

By:   
Duly authorized

Signed on behalf of the Managing GP for and on behalf of the Guarantor:

By:   
Duly authorized

## PART B—OTHER INFORMATION

### 1. LISTING

- (i) Listing/Admission to trading: Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to the Official List of the UKLA and to trading on the London Stock Exchange's Market with effect from March 13, 2018.
- (ii) Estimate of total expenses related to admission to trading: £3,650

### 2. RATINGS

The Covered Bonds to be issued are expected to be rated:

Ratings: Moody's: Aaa

Fitch: AAA

DBRS: AAA

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in "*Subscription and Sale and Transfer and Selling Restrictions*", so far as the Issuer is aware, no person involved in the offer of the Covered Bonds has an interest material to the offer. The Managers and their affiliates have engaged, and may in future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and the Guarantor and their affiliates.

### 4. FIXED RATE COVERED BONDS ONLY – YIELD

Indication of yield based on the Issue Price: 0.775 per cent. per annum

### 5. DISTRIBUTION

- (i) US Selling Restrictions: Regulation S compliance Category 2; TEFRA D rules apply; Not Rule 144A eligible
- (ii) Additional Selling Restrictions: Covered Bonds may only be offered, sold or distributed by the Managers on such basis and in such provinces of Canada as, in each case, are agreed with the Issuer and in compliance with any applicable securities laws of Canada or any province, to the extent applicable.
- (iii) Prohibition of Sales to EEA Retail Investors: Applicable

### 6. OPERATIONAL INFORMATION

- (i) ISIN Code: XS1790961962
- (ii) Common Code: 179096196



- (iii) Insert here any other relevant codes such as CUSIP and CINS codes) Not Applicable
- (iv) Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking Société Anonyme or DTC or CDS, their addresses and the relevant identification number(s): Not Applicable
- (v) Delivery: Delivery against payment
- (vi) Name(s) and address(es) of initial Paying Agent(s), Registrars, Exchange Agent and Transfer Agents: Issuing and Paying Agent, European Exchange Agent and Transfer Agent:  
The Bank of New York Mellon, London Branch  
One Canada Square, 48<sup>th</sup> Floor  
London E14 4AL  
United Kingdom  
  
European Registrar:  
  
The Bank of New York Mellon (Luxembourg) S.A.  
Vertigo Building – Polaris  
2-4 rue Eugene Ruppert  
L-2453 Luxembourg  
R.C. Luxembourg No. B 67.654
- (vii) Name(s) and address(es) of additional or substitute Paying Agent(s) or Transfer Agent(s): Not Applicable