

FINAL TERMS

Final Terms dated September 23, 2016



NATIONAL BANK OF CANADA

NATIONAL BANK OF CANADA

(a Canadian chartered bank)

Issue of GBP 100,000,000 Floating Rate Series CBL5 Covered Bonds due September 27, 2021
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 April 7, 2016.

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 April 7, 2016 and the supplemental Prospectuses dated June 20, 2016 and August 31, 2016 (which together constitute a base prospectus for the purposes of Directive 2003/71/EC, as amended, including by Directive 2010/73/EU (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: CBL5
- (ii) Tranche Number: 1
- (iii) Date on which the Covered Bonds become fungible: Not Applicable
3. Specified Currency or Currencies: Sterling (£ or GBP)
(Condition 1.10)
4. Aggregate Principal Amount:
 - (i) Series: GBP 100,000,000
 - (ii) Tranche: GBP 100,000,000
5. Issue Price: 100% of the Aggregate Principal Amount
6. (i) Specified Denominations: Minimum denomination of GBP 100,000 and integral multiples of GBP 1,000 in excess thereof up to and including GBP 199,000. No Covered Bonds in definitive form will be issued with a denomination above GBP 199,000.
(Condition 1.08 or 1.09)
- (ii) Calculation Amount: GBP 1,000
7. (i) Issue Date: September 27, 2016
- (ii) Interest Commencement Date: Issue Date
8. (i) Final Maturity Date: Interest Payment Date falling on or nearest to September 27, 2021
- (ii) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee: Interest Payment Date falling on or nearest to September 27, 2022
9. Interest Basis: 3 month GBP LIBOR +0.37 per cent per annum. Floating Rate from (and including) the Interest Commencement Date to (but excluding) the Final Maturity Date, subject to a minimum interest rate of 0.00 per cent. (further particulars specified in item

15 below)

If applicable in accordance with item 15 below, 1-month GBP LIBOR + 0.465 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 0.00 per cent.

- | | | |
|-----|--|--|
| 10. | Redemption/Payment Basis: | Redemption at par |
| 11. | Change of Interest Basis: | Applicable if and only to the extent payment of the Final Redemption Amount is deferred until the Extended Due for Payment Date in accordance with Condition 6.01 (as specified in Paragraph 9). |
| 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:

(Condition 5.02) | Not Applicable |
| 15. | Floating Rate Covered Bond Provisions:

(Condition 5.03) | Applicable |
| | (i) Interest Period(s): | The first Interest Period shall comprise of the period from and including the Issue 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 Interest Payment Dates shall be March 27, June 27, September 27 and December 27 of each year, up to and including the Final Maturity Date, with the first Interest Payment Date being December 27, 2016.

To the extent that payment of the Final Redemption Amount is deferred until the Extended Due for Payment Date in accordance with Condition 6.01 and Paragraph 9 above, the Interest Payment Date shall fall on the 27 th day of each month from but excluding the Final Maturity Date to and including the Extended Due for Payment Date. Each Interest Payment Date is, 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, 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:	3-month GBP LIBOR for the period from (and including) the Issue Date to (but excluding) the Final Maturity Date. If applicable due to the payment of the Final Redemption Amount being deferred until the Extended Due for Payment Date, 1-month GBP LIBOR for the period from (and including) the Final Maturity Date to (but excluding) the Extended Due for Payment Date.
– Interest Determination Date(s)	The first day of each Interest Period
– Relevant Screen Page	Reuters LIBOR01
– Relevant Time:	11:00 a.m. (London Time)
– Reference Banks:	Has the meaning given in the ISDA Definitions
(viii) ISDA Determination:	Not Applicable
(ix) Margin(s):	+ 0.37 per cent. per annum up to (but excluding) the Final Maturity Date and + 0.465 per cent. per annum from (and including) the Final Maturity Date to (but excluding) the Extended Due for Payment Date.
(x) Linear Interpolation (Condition 5.10)	Not Applicable
(xi) Minimum Interest Rate: (Condition 5.05)	0.00 per cent. per annum
(xii) Maximum Interest Rate: (Condition 5.05)	Not Applicable
(xiii) Day Count Fraction:	Actual/365 (Fixed)
16. Zero Coupon Covered Bond Provisions: (Condition 5.11)	Not Applicable

PROVISIONS RELATING TO REDEMPTION

17. Call Option	Not Applicable
-----------------	----------------

(Condition 6.03)

18. Put Option Not Applicable

(Condition 6.06)

19. Final Redemption Amount of each Covered Bond GBP 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) GBP 1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

21. Form of the Covered Bonds: Registered Covered Bonds:

Regulation S Global Covered Bond registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg and exchangeable only after an Exchange Event.

22. New Global Covered Bond: No

23. Financial Centre(s) or other special provisions relating to payment dates: Toronto, 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

[The remainder of this page is intentionally left blank.]

Signed on behalf of the Issuer:

By: 
Duly authorized

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 is expected to be 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 September 27, 2016.
- (ii) Estimate of total expenses related to admission to trading: GBP 3,600

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. DISTRIBUTION

- (i) US Selling Restrictions: Regulation S compliance Category 2; TEFRA rules not applicable; Not 144A Eligible
- (ii) Additional Selling Restrictions: Covered Bonds may not be offered, sold or distributed, directly or indirectly, in Canada or to or for the benefit of a Canadian resident.

5. OPERATIONAL INFORMATION

- (i) ISIN Code: XS1496332864
- (ii) Common Code: 149633286
- (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