1st SUPPLEMENTARY PROSPECTUS DATED 7 DECEMBER 2023

NATIONAL BANK OF CANADA

(a Canadian chartered bank)

CAD 20,000,000,000

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 8 September 2023 (the "**Prospectus**"), which comprises a base prospectus under Article 8 of Regulation (EU) 2017/1129, as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**") for National Bank of Canada (the "**Bank**", the "**Issuer**" or "**NBC**") constitutes a supplementary prospectus in respect of the base prospectus for NBC for purposes of Article 23 of the UK Prospectus Regulation, and is prepared in connection with the CAD 20,000,000,000 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. This 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 (the "**FCA**"), which is the United Kingdom competent authority for the purposes of the UK Prospectus Regulation, 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, the information contained in this Supplement is in accordance with the facts and the Supplement contains no omission likely to affect its import.

The purpose of this Supplement is to: (I) incorporate by reference in the Prospectus NBC's: (a) 2023 Annual Information Form (as defined below); (b) latest audited annual results (including management's discussion and analysis thereof) (the "**2023 Annual Report**"); and (c) monthly investor reports for the months of August 2023, September 2023 and October 2023, containing information on the Covered Bond Portfolio; (II) update the litigation statement and the no significant change and no material adverse change statements in the section of the Prospectus entitled "*General Information*"; (III) amend the section of the Prospectus entitled "*Risk Factors*" in connection with the publication of the 2023 Annual Report; (IV) update the "*Screen Rate Determination*" provisions in the section of the Prospectus entitled "*Form of the Final Terms"*; and (V) update the selling restrictions in the Prospectus as a result of a change in the law of Singapore.

Save as disclosed in this Supplement, no significant new factor, material mistake or material 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. DOCUMENTS INCORPORATED BY REFERENCE

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 by reference in, and form part of, the Prospectus:

(a) The Bank's Annual Information Form dated 30 November 2023 (the "**2023 Annual Information Form**");

(b) The following sections of the 2023 Annual Report for the year ended 31 October 2023:

   (i) Management's Discussion and Analysis of the Bank for the fiscal year ended 31 October 2023 on pages 12 to 127 of the 2023 Annual Report;

   (ii) a discussion of economic review and outlook on page 24 of the 2023 Annual Report;

   (iii) a business segment analysis on pages 28 to 46 of the 2023 Annual Report;

   (iv) a discussion of securitization and off-balance sheet arrangements on pages 51 to 52 of the 2023 Annual Report;

   (v) information concerning risk management on pages 62 to 106 of the 2023 Annual Report;

   (vi) a discussion of critical accounting estimates on pages 107 to 113 of the 2023 Annual Report;

   (vii) a description of the Bank's share capital on pages 201 to 204 of the 2023 Annual Report;

   (viii) information concerning principal subsidiaries of the Bank on page 224 of the 2023 Annual Report; and

   (ix) the Bank's audited consolidated financial statements for the years ended 31 October 2023 and 2022, together with the notes thereto and the independent auditor's report thereon dated 30 November 2023 on pages 129 to 231 of the 2023 Annual Report, included therein,

the remainder of the 2023 Annual Report is either not relevant for prospective investors or is covered elsewhere in the Prospectus and is not incorporated by reference;

(c) the Bank's monthly (unaudited) Investor Report containing information on the Covered Bond Portfolio as at the Calculation Date falling on 31 August 2023 (the "**August Investor Report**");

(d) the Bank's monthly (unaudited) Investor Report containing information on the Covered Bond Portfolio as at the Calculation Date falling on 29 September 2023 (the "**September Investor Report**"); and

(e) the Bank's monthly (unaudited) Investor Report containing information on the Covered Bond Portfolio as at the Calculation Date falling on 31 October 2023 (the "**October Investor Report**") and together with the August 2023 Investor Report, the September 2023 Investor Report, the "**Investor Reports**").

Copies of the 2023 Annual Information Form, the 2023 Annual Report and the Investor Reports have been submitted to the National Storage Mechanism (operated by the FCA), and are available for viewing at https://data.fca.org.uk/#/nsm/nationalstoragemechanism.

II. GENERAL INFORMATION

By virtue of this Supplement, paragraphs 3, 4 and 5 of the section entitled "*General Information*" of the Prospectus are deleted and replaced with the following:

"3. Other than as noted under the heading "Litigation" on page 112 of the 2023 Annual Report, under the subsection entitled "Notice of Assessment" in Note 24 on page 216 and under the subsection entitled "Contingent Liabilities – Litigation" in Note 26 on page 219 of the 2023 Annual Report, incorporated by reference herein, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or Guarantor is aware) during the 12 months prior to the date of this document, which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer and its subsidiaries taken as a whole or the Guarantor.

4. There has been no significant change in the financial performance or financial position of the Issuer and its subsidiaries, including the Guarantor, taken as a whole since 31 October 2023, the last day of the financial period in respect of which the most recent comparative published audited annual consolidated financial statements of the Issuer have been prepared.

5. There has been no material adverse change in the prospects of the Issuer and its subsidiaries, including the Guarantor, taken as a whole since 31 October 2023, the last day of the financial period in respect of which the most recent comparative published audited annual consolidated financial statements of the Issuer have been prepared."

III. RISK FACTORS

By virtue of this Supplement, the section of the Prospectus entitled "*Risk Factors*" is amended as follows:

(a) The risk factor entitled "*The Issuer's revenues and earnings are substantially dependent on the general economic, geopolitical and business conditions in regions where it operates*" under the heading: "*1. Factors which are material for the purpose of assessing risks relating to the Issuer – Risks relating to the external political, economic and competitive environments of the Issuer*" is deleted in its entirety and replaced with the following:

"(a) *The Issuer's revenues and earnings are substantially dependent on the general economic, geopolitical and business conditions in regions where it operates*

Although the Issuer operates primarily in Canada, it also has business operations in the United States and other countries. See the sections entitled "*Economic Review and Outlook*" on page 24 of the Issuer's 2023 Annual Report and "*Business Segment Analysis*" on pages 28 to 46 of the Issuer's 2023 Annual Report, each of which is incorporated by reference in this Prospectus, for a description of the global, Canadian and Quebec economies relevant to the Issuer and a detailed analysis of the Issuer's principal business segments. The Issuer is exposed to financial risks outside Canada and the United States primarily through its interbank transactions on international financial markets or through international trade finance activities. This geographic exposure represents a moderate proportion of the Issuer's total risk.

Government decisions and international relations can have a significant impact on the environment in which the Issuer operates. Geopolitical events can lead to volatility, have a negative impact on at-risk assets, and cause financial conditions to deteriorate. They can also directly or indirectly affect banking activities by having repercussions on clients. The war in Ukraine, which has disrupted energy and agricultural supply chains, is a good example. The economic sanctions taken against Russia for its invasion of Ukraine and the steps taken by Russia to significantly reduce natural gas supply to Europe have led to soaring energy costs. This situation has triggered the negative economic headwinds now facing Europe and heightened the risk of a political reaction in the form of new governments taking power and social unrest. Even if the war were to end, the shattered trust suggests that Europe and Russia will continue to take measures to become less dependent on one another, notably regarding energy matters. In addition, the recent clashes between Hamas and Israel add a new risk of regional escalation in the Middle East. The greatest risk is that this conflict spreads and develops into a more direct confrontation between Iran and Israel, which could ultimately disrupt oil deliveries in the Persian Gulf. While new risks could arise at any time, certain concerns are compelling the Issuer to monitor other situations at this time. The geopolitical power struggle that for years has pitted the United States. against China is one such concern. Businesses, in particular those operating in sectors deemed strategic, run an increasing risk of finding themselves in a maze of contradictory regulations, where complying with U.S. regulations means violating Chinese law, and vice versa. These tensions could also partially undo some of the ties forged between these two superpowers in the financial markets, and Canada might get caught in the crosshairs of the two countries. Tensions between China and the United States on the subject of Taiwan is another source of disagreement between the two superpowers. While the Issuer does not believe an invasion is imminent, China will continue to exert pressure on Taiwan through a combination of unprecedented military exercises and economic sanctions. Taiwan's importance is highlighted by the fact that it is by far the leading global producer of advanced microchips (over 90% of the market share).

Closer to home, Canada is also dealing with some tensions. Until recently, India represented an alternative to China as a potential trading partner against a backdrop of persistent tensions with the Middle Kingdom (detention of two Canadians in China and Chinese interference in Canadian elections). However, Ottawa's accusations that the Indian government was involved in the murder of a Canadian citizen have soured relations with India, and the conflict could affect companies that have forged trade links or made investments there. But the potential for confrontation does not end there, as protectionism is gaining popularity, and a growing number of countries are implementing measures to both financially support domestic businesses in key sectors (high tech, health care, and food) and to protect them against global competition through business restrictions. The combined effects of supply shortages and geopolitical tensions have shifted the focus from efficiency to supply security.

In addition, the combined effect of climate change and armed conflict could lead to massive involuntary migration, which has already risen sharply in recent years. This could have economic and political repercussions, with Europe being particularly vulnerable. Lastly, with rising debt levels and interest rates, some governments could face a dilemma as they try to satisfy public demands to maintain social safety nets and respond to pressure from the financial markets to improve their fiscal balance, causing political tensions in the developed countries. The Issuer will continue to monitor all of these developments, analyze any new risks that arise, and assess the impacts that they may have on the organization.

Although the economy recovered quickly during the pandemic, a number of risks still remain while others emerge. The extremely aggressive fiscal stimulus in North America at the start of the pandemic, supply chain issues, and the war in Ukraine led to a resurgence in inflation in 2022 to levels not seen since the early 1980s. The central banks, guarantors of price stability, are determined to curb inflation and have pushed interest rates to the highest levels seen in over two decades. At a time when investors are wondering about future interest rates, which could stay high for a prolonged period, financial conditions have deteriorated substantially worldwide, heightening the risk of recession. Central banks continue to show concern about inflation, while the economy has yet to feel the full impact of previous rate hikes. In an environment characterized by high interest rates, companies may be reluctant to invest, and this does not usually bode well for hiring. Corporate profit margins are under pressure in a context of rising employee compensation and interest expense, which could lead to difficult decisions about staffing levels. Consumers, on the other hand, are likely to limit spending when faced with high prices, amplifying the risks of an economic recession. The global economy could also face a situation not seen since the 1970's stagflation. Such a period, characterized by both economic weakness and high inflation, would place central banks in a dilemma, making them reluctant to support a moribund economy.

Many governments became much more indebted during the pandemic and are now facing an interest payment shock as bonds come due. Government financing needs will be considerable in the years to come, with demographic changes, the fight against climate change, and reindustrialization all risking to exacerbate the pressure on public finances. There is reason to believe that investors could demand compensation for financing more fragile governments. This could limit the power of governments to act in the event of economic weakness.

Lastly, climate issues are an added risk in the current context. If too few measures are adopted on the climate front, severe weather events will intensify and result in economic woes over the long term. Conversely, a too-swift transition could result in other risks, particularly short- and medium-term costs and rising pressure on production costs.

Given the ongoing uncertainties in this economic environment, the Issuer remains vigilant in the face of numerous factors and will continue to rely on its strong risk management framework to identify, assess, and mitigate the negative impacts while also remaining within its risk appetite limits.

Nevertheless, the Issuer's revenues could be affected by the economic, geopolitical and business conditions prevailing in the countries in which it operates, including as a result of the strength of the economy and inflation, the credit conditions of businesses, financial market and exchange rate fluctuations, monetary policy trends and interest rates. All of these factors affect the business, geopolitical and economic conditions in a given geographic region and, consequently, affect the Issuer's level of business activity and resulting earnings in that region. Although some risks may seem remotely related to the Issuer's business context, strong global economic and financial integration requires a vigilant approach."

(b) The risk factor entitled "*The COVID-19 pandemic has impacted the global economy, the financial markets and the Issuer, and the ultimate impact of the pandemic will depend on future events that are highly uncertain and cannot be predicted*." is deleted in its entirety.

(c) The following new Risk Factor is added to the section entitled "*1. Factors which are material for the purpose of assessing risks relating to the Issuer – Risks relating to the external political, economic and competitive environments of the Issuer"* after the Risk Factor entitled: "*The Issuer's revenues and earnings are substantially dependent on the general economic, geopolitical and business conditions in regions where it operates*"

"(b) *The Issuer's revenues and earnings may be affected by changes in Canadian real estate market and Canadian household indebtedness.*

With interest rates up sharply and inflation still high, it is normal to wonder how these circumstances are affecting Canadian households, which have high levels of debt. Canadian household debt, when compared internationally, is high in relation to disposable income, much like other countries with strong social safety nets. In recent years, policymakers have introduced a number of financial stability measures to limit Canadian household debt. This has paid off, as shown by the debt ratio, which has been relatively unchanged since 2016. Nonetheless, indebted households are feeling the impact of the current monetary tightening. The labour market has proved resilient for now, and this has limited late payments on loans, but the Issuer is not immune to a potential recession that could make matters worse. The Issuer offers variable rate/variable payment mortgage loans. This means that clients in this situation have been able to gradually adjust their budgets since the start of the multiple rate hikes and avoid overly high payment shock when they renew their mortgage term, as is the case for borrowers that have variable rate/fixed payment mortgages with other lenders. Soaring house prices have been one of the causes of the country's high indebtedness. For the time being, property prices have been resilient in the face of rising interest rates, since their impact has been offset by record population growth over the past few quarters. But a less buoyant job market could push the real estate sector into another slump. A severe recession could cause house prices to plunge, potentially prompting some borrowers to default strategically. Quebec's lower indebtedness compared with the rest of the country, from more affordable housing, combined with the fact that the province has a higher percentage of households in which both spouses are employed, helps to limit the Issuer's exposure against a significant increase in credit risk. The Issuer takes all these risks into account when establishing lending criteria and estimating credit loss allowances. It should be noted that borrowers are closely monitored on an ongoing basis, and portfolio stress tests are conducted periodically to detect any vulnerable borrowers. The Issuer proactively contacts those identified, and proposes appropriate solutions to enable them to continue to meet their commitments. However, despite these measures, there can be no guarantee that borrowers will not default on their loans, which could have an effect on the Issuer's revenue and earnings.

IV. FORM OF THE FINAL TERMS

By virtue of this Supplement, the following new line item is added to "*Part A – Contractual Terms, 15(vii)*" of the Form of the Final Terms immediately following the line item – " – Reference Banks":

" – 2021 ISDA Definitions:	[Not Applicable] [Applicable]"

V. SINGAPORE SELLING RESTRICTION

By virtue of this Supplement, the Singapore selling restriction in the section entitled "*Subscription and Sale and Transfer and Selling Restrictions – Singapore*" is deleted and replaced with the following:

"Each Dealer will be required to acknowledge, that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer will be required to represent, warrant and agree, that it has not offered or sold any Covered Bonds or caused the Covered Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Covered Bonds or cause the Covered Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Covered Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.)"

GENERAL

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 UK Prospectus Regulation, 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 Bank and the headline "Publication of Prospectus"; (ii) viewed on the Bank's website at *https://www.nbc.ca/en/about-us/investors/investor-relations/capital-debt-information/debt/legislative-covered-bonds-program/legislative-covered-bonds.html*; and (iii) 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. No website referred to herein nor any information contained thereon, forms part of this Supplement, nor have the contents of any such website been approved by or submitted to the FCA, unless, in each case, such website or information is expressly incorporated by reference in this Supplement.