

This report contains information regarding the National Bank of Canada Legislative Covered Bond Programme's Cover Pool as of the indicated Calculation Date. The composition of the Cover Pool will change as Loans are added and removed from the Cover Pool from time to time and, accordingly, the characteristics and performance of the Loans will vary over time.

Certain information set forth below has been obtained and based upon sources believed by National Bank of Canada to be accurate, however, National Bank of Canada makes no representation or warranty, express or implied, in relation to the accuracy, completeness or reliability of such information contained herein. National Bank of Canada assumes no liability for any errors or any reliance you place on the information provided herein.

This material is for distribution only under such circumstances as may be permitted by applicable law. This material is published solely for informational purposes and this report does not constitute an invitation or recommendation to invest or otherwise deal in, or an offer to sell or the solicitation of an offer to buy or subscribe for, any security. Reliance should not be placed on the information herein when making any decision to buy, hold or sell any security or for any other purpose.

THESE 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 DISCLOSURE DOCUMENT. THESE COVERED BONDS ARE NOT INSURED OR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.

Programme Information

Series	Initial Amount	Translation Rate	C\$ Equivalent	Maturity Date	Extended Due for Payment Date	Coupon Rate	Rate Type	Maturity Type
CBL1	€1,000,000,000	1.4618	\$1,461,800,000	17 Dec 2018	17 Dec 2019	1.250%	Fixed	Soft
CBL2	€1,000,000,000	1.5363	\$1,536,300,000	25 Mar 2021	25 Mar 2022	1.500%	Fixed	Soft
CBL3	€1,000,000,000	1.3869	\$1,386,900,000	26 Jan 2022	26 Jan 2023	0.500%	Fixed	Soft
CBL4	USD\$750,000,000	1.2592	\$944,400,000	20 Apr 2018	20 Apr 2019	1.400%	Fixed	Soft
CBL5	£100,000,000	1.7100	\$171,000,000	27 Sep 2021	27 Sep 2022	3 month £ Libor +0.370%	Floating	Soft
CBL5 (Tranche 2)	£70,000,000	1.6400	\$114,800,000	27 Sep 2021	27 Sep 2022	3 month £ Libor +0.370%	Floating	Soft
CBL6	€750,000,000	1.4618	\$1,096,350,000	29 Sep 2023	29 Sep 2024	0.000%	Fixed	Soft
			<u>\$6,711,550,000</u>					

Weighted Average Maturity of Outstanding Covered Bonds (months)	42.22
Weighted Average Remaining Term of Loans in Cover Pool (months)	27.48

Series Ratings

	Moody's	DBRS	Fitch Ratings
CBL1	Aaa	AAA	AAA
CBL2	Aaa	AAA	AAA
CBL3	Aaa	AAA	AAA
CBL4	Aaa	AAA	AAA
CBL5	Aaa	AAA	AAA
CBL5 (Tranche 2)	Aaa	AAA	AAA
CBL6	Aaa	AAA	AAA

Supplementary Information

Parties

Issuer	National Bank of Canada (NBC)
Guarantor Family	NBC Covered Bond (Legislative) Guarantor Limited Partnership
Servicer & Cash Manager	National Bank of Canada
Swap Providers	National Bank of Canada
Covered Bond Trustee & Custodian	Computershare Trust Company of Canada
Asset Monitor	Deloitte LLP
Account Bank & GIC Provider	National Bank of Canada
Standby Account Bank & GIC Provider	Royal Bank of Canada (RBC)
Paying Agent	The Bank of New York Mellon (Luxembourg) S.A.

National Bank of Canada Ratings

	<u>Standard & Poor's</u>	<u>Moody's</u>	<u>DBRS</u>	<u>Fitch Ratings</u>
Senior Debt	A	A1	AA (low)	A+
Short Term	A-1	P-1	R-1 M	F1
Outlook	Stable	Negative	Negative	Stable

Applicable Ratings of Standby Account Bank & GIC Provider (RBC)

	<u>Moody's</u>	<u>DBRS</u>	<u>Fitch Ratings</u>
Senior Debt	A1	AA	AA
Short Term	P-1	R-1 H	F1+

Description of Ratings Triggers
A. Party Replacement

If the rating(s) of the Party falls below the level stipulated below, such party is required to be replaced or in the case of the Swap Provider

- (i) transfer credit support and
- (ii) replace itself or obtain a guarantee for its obligations.

Role (Current Party)

	<u>Moody's</u>	<u>DBRS</u>	<u>Fitch</u>
Account Bank & GIC Provider (NBC)	P-1*	R-1 (mid) & A(low)	F1* or A
Standby Account Bank & GIC Provider (RBC)	P-1*	R-1 (mid) & A(low)	F1* or A
Cash Manager (NBC)	P-2*	BBB (low)	F2*
Servicer (NBC)	Baa3	BBB (low)	F2*
Interest Rate Swap Provider (NBC)	P-2* or A3	R-2(high)* & BBB(high)	F3* or BBB-
Covered Bond Swap Provider (NBC)	P-2* or A3	R-2(high)* & BBB(high)	F3* or BBB-
Title Holder on Mortgages (NBC)	Baa3	BBB (low)	BBB-

B. Specified Rating Related Action

i. The following actions are required if the rating of the Cash Manager (NBC) falls below the stipulated rating:

	<u>Moody's</u>	<u>DBRS</u>	<u>Fitch</u>
(a) Amounts received by the Servicer are to be deposited directly to the GIC Account and not provided to the Cash Manager	P-1*	BBB(low)	F1* or A
(b) Amounts held by the Cash Manager belonging to the Guarantor are to be deposited to the Transaction Account or the GIC account, as applicable, within 5 business days	P-1*	BBB(low)	F1* or A

ii. The following actions are required if the rating of the Servicer (NBC) falls below the stipulated rating:

	<u>Moody's</u>	<u>DBRS</u>	<u>Fitch</u>
(a) Servicer is required to transfer amounts belonging to the Guarantor to the Cash Manager or the GIC Account, as applicable, within 2 business days	P-1*	BBB(low)	F1* or A

iii. The following actions are required if the rating of the Issuer (NBC) falls below the stipulated rating:

	<u>Moody's</u>	<u>DBRS</u>	<u>Fitch</u>
(a) Repayment of the Demand Loan	N/A	N/A	F2* or BBB+
(b) Establishment of the Reserve Fund	P-1*	R-1 (mid)* & A(low)	F1* or A
(c) Fund Pre-Maturity Liquidity Required Amount on Hard Bullet Covered Bonds	P-1*	6 months: A(high) 12 months: A(low)	F1+*

iv. The following actions are required if the rating of the Issuer (NBC) falls below the stipulated rating:

	<u>Moody's</u>	<u>DBRS</u>	<u>Fitch</u>
(a) The Interest Rate Swap and the Covered Bond Swap will become effective except as otherwise provided in the Covered Bond Swaps Agreements	Baa1	BBB(high)	BBB+

v. Each Swap Provider is required to transfer credit support, replace itself or obtain a guarantee of its obligations if the rating of such Swap Provider falls below the specified rating.

	<u>Moody's</u>	<u>DBRS</u>	<u>Fitch</u>
(a) Interest Rate Swap Provider	P-1* or A2	R-1 (mid)* & A(high)	F1* or A
(b) Covered Bond Swap Provider	P-1* or A2 (1)	R-1 (mid)* & A(high)	F1* or A

*Short Term rating

(1) If credit support provider or Guarantor does not have a short-term rating assigned by Moody's, the long term unsecured rating trigger is A1.

Events of Default

Issuer Event of Default	No
Guarantor Event of Default	No

Asset Coverage Test

Outstanding Covered Bonds	\$6,711,550,000	
A = Lesser of (i) LTV Adjusted True Balance and (ii) Asset Percentage Adjusted True Balance	\$11,389,479,947	A(i): \$12,420,370,717 A(ii): \$11,389,479,947
B = Principal Receipts	\$0	Asset Percentage: 91.70%
C = Cash Capital Contributions	\$0	Maximum Asset Percentage: 93.00%
D = Substitute Assets	\$0	
E = Reserve Fund Balance	\$0	
Y = Contingent Collateral Amount		
Z = Negative Carry Factor calculation	\$118,067,766	
Total: A + B + C + D + E - Y - Z	\$11,271,412,182	

Asset Coverage Test **PASS**

Note: Due to rounding, numbers presented may not add up precisely to the totals provided.

Valuation Calculation

Trading Value of Covered Bonds	\$7,145,546,851
A = LTV Adjusted Loan Present Value	\$12,259,386,466
B = Principal Receipts	\$0
C = Cash Capital Contributions	\$0
D = Trading Value of Substitute Assets	\$0
E = Reserve Fund Balance	\$0
F = Trading Value of Swap Collateral	\$0
Present Value Adjusted Aggregate Asset Amount	
Total: A + B + C + D + E + F	\$12,259,386,466

Weighted average market rate used for discounting: 3.29%

Amortization Test

Event of Default on the part of the registered issuer?	No
Do any Covered Bonds remain outstanding?	Yes
Amortization Test Required?	No
Amortization Test	N/A

Intercompany Loan Balance

Guarantee Loan	\$7,325,392,776
Demand Loan	\$5,370,987,985
Total	\$12,696,380,761

Covered Bonds Outstanding vs OSFI Limit

Covered Bonds Currently Outstanding (CAD Equivalent):	
Issued under the Legislative Covered Bond Programme	\$6,711,550,000
Total	\$6,711,550,000
OSFI Maximum (CAD Equivalent):	\$9,212,035,000

Note: Covered Bonds issued under the Structured Covered Bond Programme do not form part of the Legislative Covered Bond Programme, nor do they benefit from the Covered Bond Legislative Framework.

Cover Pool Summary Statistics

Previous Month Ending Balance	\$12,665,689,815
Current Balance	\$12,423,494,543
Number of Mortgages in Pool	103,971
Average Mortgage Size	\$119,490
Number of Properties	81,574
Number of Borrowers	78,643
Weighted Average Indexed Authorized LTV	62.79%
Weighted Average Indexed Drawn LTV	55.61%
Weighted Average Original LTV	72.96%
Weighted Average Interest Rate	2.68%
Weighted Average Seasoning	25.35 months
Weighted Average Original Term	52.83 months
Weighted Average Remaining Term	27.48 months

Note: Due to rounding, numbers presented in the following distribution tables may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Cover Pool Delinquency Distribution
Aging Summary

	<u>Number of Loans</u>	<u>Percentage</u>	<u>Principal Balance</u>	<u>Percentage</u>
Current and less than 30 days past due	103,816	99.85%	\$12,405,027,641	99.85%
30 to 59 days past due	85	0.08%	\$10,895,466	0.09%
60 to 89 days past due	43	0.04%	\$4,447,610	0.04%
90 or more days past due	27	0.03%	\$3,123,826	0.03%
Total	103,971	100.00%	\$12,423,494,543	100.00%

Cover Pool Provincial Distribution

<u>Province</u>	<u>Number of Loans</u>	<u>Percentage</u>	<u>Principal Balance</u>	<u>Percentage</u>
British Columbia	2,475	2.38%	\$599,428,763	4.83%
Prairies	4,173	4.01%	\$819,131,621	6.59%
Ontario	15,500	14.91%	\$3,051,389,892	24.56%
Quebec	79,809	76.76%	\$7,783,787,807	62.65%
Atlantic	2,014	1.94%	\$169,756,458	1.37%
Other	0	0.00%	\$0	0.00%
Total	103,971	100.00%	\$12,423,494,543	100.00%

Cover Pool Credit Score Distribution

<u>Credit Score</u>	<u>Number of Loans</u>	<u>Percentage</u>	<u>Principal Balance</u>	<u>Percentage</u>
Score Unavailable	1,735	1.67%	\$253,302,357	2.04%
599 and below	1,334	1.28%	\$155,117,739	1.25%
600 - 650	2,840	2.73%	\$348,714,186	2.81%
651 - 700	10,129	9.74%	\$1,322,976,475	10.65%
701 - 750	33,625	32.34%	\$4,260,052,270	34.29%
751 - 800	43,206	41.56%	\$4,931,043,447	39.69%
801 and above	11,102	10.68%	\$1,152,288,069	9.28%
Total	103,971	100.00%	\$12,423,494,543	100.00%

Cover Pool Interest Rate Type Distribution

<u>Interest Rate Type</u>	<u>Number of Loans</u>	<u>Percentage</u>	<u>Principal Balance</u>	<u>Percentage</u>
Fixed	81,570	78.45%	\$9,092,872,279	73.19%
Variable	22,401	21.55%	\$3,330,622,264	26.81%
Total	103,971	100.00%	\$12,423,494,543	100.00%

Cover Pool Occupancy Type Distribution

<u>Occupancy Type</u>	<u>Number of Loans</u>	<u>Percentage</u>	<u>Principal Balance</u>	<u>Percentage</u>
Owner Occupied	89,723	86.30%	\$10,089,928,833	81.22%
Non-Owner Occupied	14,248	13.70%	\$2,333,565,710	18.78%
Total	103,971	100.00%	\$12,423,494,543	100.00%

Mortgage Asset Type Distribution

<u>Asset Type</u>	<u>Number of Loans</u>	<u>Percentage</u>	<u>Principal Balance</u>	<u>Percentage</u>
Conventional Mortgage	46,322	44.55%	\$6,272,224,658	50.49%
Mortgage Segment of All-in-One Product	57,649	55.45%	\$6,151,269,885	49.51%
Total	103,971	100.00%	\$12,423,494,543	100.00%

Cover Pool Interest Rate Distribution

<u>Interest Rate (%)</u>	<u>Number of Loans</u>	<u>Percentage</u>	<u>Principal Balance</u>	<u>Percentage</u>
Less than 2.000	1,620	1.56%	\$316,609,289	2.55%
2.000 - 2.999	84,214	81.00%	\$10,228,277,647	82.33%
3.000 - 3.999	16,129	15.51%	\$1,671,049,799	13.45%
4.000 - 4.999	1,230	1.18%	\$125,298,339	1.01%
5.000 - 5.999	259	0.25%	\$27,697,858	0.22%
6.000 - 6.999	519	0.50%	\$54,561,611	0.44%
7.000 - 7.999	0	0.00%	\$0	0.00%
8.000 or Greater	0	0.00%	\$0	0.00%
Total	103,971	100.00%	\$12,423,494,543	100.00%

Cover Pool Remaining Balance

<u>Remaining Principal Balance (\$)</u>	<u>Number of Loans</u>	<u>Percentage</u>	<u>Principal Balance</u>	<u>Percentage</u>
99,999 and below	56,577	54.42%	\$2,756,779,703	22.19%
100,000 - 149,999	18,560	17.85%	\$2,290,643,373	18.44%
150,000 - 199,999	12,090	11.63%	\$2,095,809,000	16.87%
200,000 - 249,999	6,705	6.45%	\$1,495,373,642	12.04%
250,000 - 299,999	3,881	3.73%	\$1,057,339,020	8.51%
300,000 - 349,999	2,226	2.14%	\$720,280,403	5.80%
350,000 - 399,999	1,312	1.26%	\$490,053,642	3.94%
400,000 - 449,999	817	0.79%	\$346,131,810	2.79%
450,000 - 499,999	537	0.52%	\$254,569,507	2.05%
500,000 - 549,999	272	0.26%	\$142,511,727	1.15%
550,000 - 599,999	248	0.24%	\$141,927,432	1.14%
600,000 - 649,999	138	0.13%	\$85,909,962	0.69%
650,000 - 699,999	112	0.11%	\$75,534,401	0.61%
700,000 - 749,999	79	0.08%	\$57,366,382	0.46%
750,000 - 799,999	71	0.07%	\$54,888,967	0.44%
800,000 - 849,999	80	0.08%	\$65,925,475	0.53%
850,000 - 899,999	66	0.06%	\$57,818,088	0.47%
900,000 - 949,999	53	0.05%	\$48,867,361	0.39%
950,000 - 999,999	49	0.05%	\$47,744,442	0.38%
1,000,000 and above	98	0.09%	\$138,020,206	1.11%
Total	103,971	100.00%	\$12,423,494,543	100.00%

Cover Pool Months to Maturity Distribution

<u>Months to Maturity</u>	<u>Number of Loans</u>	<u>Percentage</u>	<u>Principal Balance</u>	<u>Percentage</u>
5 or Less	9,006	8.66%	\$1,009,074,207	8.12%
6 - 11	8,844	8.51%	\$960,421,342	7.73%
12 - 23	27,122	26.09%	\$2,954,573,853	23.78%
24 - 35	26,886	25.86%	\$3,430,447,382	27.61%
36 - 47	22,180	21.33%	\$2,799,514,789	22.53%
48 - 59	9,180	8.83%	\$1,179,160,660	9.49%
60 - 71	604	0.58%	\$67,251,354	0.54%
72 - 83	96	0.09%	\$15,154,709	0.12%
84 or Greater	53	0.05%	\$7,896,247	0.06%
Total	103,971	100.00%	\$12,423,494,543	100.00%

Cover Pool Property Type Distribution

<u>Property Type</u>	<u>Number of Loans</u>	<u>Percentage</u>	<u>Principal Balance</u>	<u>Percentage</u>
Single Family	81,251	78.15%	\$9,384,444,810	75.54%
Condominium	12,181	11.72%	\$1,570,224,986	12.64%
2-4 Family Units	10,539	10.14%	\$1,468,824,748	11.82%
Total	103,971	100.00%	\$12,423,494,543	100.00%

Cover Pool Indexed LTV - Authorized Distribution

<u>Indexed LTV (%)</u>	<u>Number of Loans</u>	<u>Percentage</u>	<u>Principal Balance</u>	<u>Percentage</u>
20.00 and below	2,274	2.19%	\$96,273,238	0.77%
20.01 - 25.00	1,568	1.51%	\$113,430,042	0.91%
25.01 - 30.00	2,128	2.05%	\$187,445,063	1.51%
30.01 - 35.00	2,805	2.70%	\$295,623,679	2.38%
35.01 - 40.00	3,667	3.53%	\$415,930,406	3.35%
40.01 - 45.00	4,845	4.66%	\$608,386,548	4.90%
45.01 - 50.00	6,023	5.79%	\$801,270,444	6.45%
50.01 - 55.00	6,987	6.72%	\$954,053,205	7.68%
55.01 - 60.00	8,540	8.21%	\$1,135,785,290	9.14%
60.01 - 65.00	11,204	10.78%	\$1,387,722,732	11.17%
65.01 - 70.00	11,530	11.09%	\$1,435,074,568	11.55%
70.01 - 75.00	14,477	13.92%	\$1,763,903,684	14.20%
75.01 - 80.00	19,979	19.22%	\$2,349,824,584	18.91%
Greater than 80.00	7,944	7.64%	\$878,771,059	7.07%
Total	103,971	100.00%	\$12,423,494,543	100.00%

Cover Pool Indexed LTV - Drawn Distribution

<u>Indexed LTV (%)</u>	<u>Number of Loans</u>	<u>Percentage</u>	<u>Principal Balance</u>	<u>Percentage</u>
20.00 and below	7,861	7.56%	\$403,251,113	3.25%
20.01 - 25.00	3,871	3.72%	\$310,765,849	2.50%
25.01 - 30.00	4,666	4.49%	\$431,137,914	3.47%
30.01 - 35.00	5,171	4.97%	\$536,067,980	4.32%
35.01 - 40.00	5,990	5.76%	\$660,903,842	5.32%
40.01 - 45.00	7,051	6.78%	\$827,278,186	6.66%
45.01 - 50.00	8,029	7.72%	\$1,027,245,418	8.27%
50.01 - 55.00	8,982	8.64%	\$1,176,337,897	9.47%
55.01 - 60.00	9,767	9.39%	\$1,270,294,050	10.22%
60.01 - 65.00	10,552	10.15%	\$1,368,998,156	11.02%
65.01 - 70.00	11,313	10.88%	\$1,503,409,693	12.10%
70.01 - 75.00	11,444	11.01%	\$1,599,498,303	12.87%
75.01 - 80.00	7,917	7.61%	\$1,123,248,714	9.04%
Greater than 80.00	1,357	1.31%	\$185,057,427	1.49%
Total	103,971	100.00%	\$12,423,494,543	100.00%

Provincial Distribution by Indexed LTV - Drawn and Aging Summary
Current and less than 30 days past due

Indexed LTV (%)	British Columbia	Prairies	Ontario	Quebec	Atlantic	Other	Total
20.00 and below	\$47,523,406	\$9,890,405	\$168,941,561	\$174,024,716	\$2,806,246	\$0	\$403,186,334
20.01 - 25.00	\$42,724,207	\$7,394,432	\$123,099,480	\$134,870,775	\$2,634,517	\$0	\$310,723,411
25.01 - 30.00	\$36,259,429	\$15,895,183	\$180,142,354	\$194,276,767	\$4,477,797	\$0	\$431,051,530
30.01 - 35.00	\$51,550,141	\$15,759,835	\$217,047,667	\$244,556,472	\$6,445,719	\$0	\$535,359,834
35.01 - 40.00	\$55,923,174	\$19,054,698	\$252,933,905	\$323,438,998	\$9,237,412	\$0	\$660,588,187
40.01 - 45.00	\$53,554,917	\$25,984,379	\$328,127,926	\$407,958,405	\$10,723,424	\$0	\$826,349,050
45.01 - 50.00	\$61,731,614	\$37,691,646	\$400,794,984	\$509,132,773	\$16,451,186	\$0	\$1,025,802,204
50.01 - 55.00	\$66,029,555	\$58,232,163	\$400,315,031	\$612,712,880	\$36,122,510	\$0	\$1,173,412,140
55.01 - 60.00	\$62,601,522	\$70,700,711	\$347,204,403	\$747,084,029	\$41,407,349	\$0	\$1,268,998,014
60.01 - 65.00	\$51,129,312	\$101,828,157	\$265,252,621	\$922,571,740	\$25,864,586	\$0	\$1,366,646,416
65.01 - 70.00	\$39,522,734	\$122,556,997	\$180,740,339	\$1,149,127,470	\$8,424,053	\$0	\$1,500,371,593
70.01 - 75.00	\$24,189,647	\$140,489,442	\$124,413,628	\$1,304,028,885	\$2,824,445	\$0	\$1,595,946,048
75.01 - 80.00	\$5,458,492	\$140,225,994	\$58,080,238	\$916,683,198	\$1,364,374	\$0	\$1,121,812,296
Greater than 80.00	\$847,091	\$53,370,546	\$542,886	\$130,020,059	\$0	\$0	\$184,780,583
Total	\$599,045,242	\$819,074,588	\$3,047,637,024	\$7,770,487,168	\$168,783,618	\$0	\$12,405,027,641

30 to 59 days past due

Indexed LTV (%)	British Columbia	Prairies	Ontario	Quebec	Atlantic	Other	Total
20.00 and below	\$0	\$0	\$0	\$56,334	\$0	\$0	\$56,334
20.01 - 25.00	\$0	\$0	\$21,694	\$0	\$0	\$0	\$21,694
25.01 - 30.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30.01 - 35.00	\$182,950	\$0	\$398,622	\$26,636	\$0	\$0	\$608,208
35.01 - 40.00	\$0	\$0	\$90,830	\$0	\$0	\$0	\$90,830
40.01 - 45.00	\$0	\$0	\$266,192	\$346,749	\$0	\$0	\$612,942
45.01 - 50.00	\$0	\$0	\$205,049	\$1,044,152	\$72,836	\$0	\$1,322,037
50.01 - 55.00	\$58,749	\$0	\$1,379,663	\$648,865	\$84,665	\$0	\$2,171,943
55.01 - 60.00	\$0	\$0	\$0	\$580,023	\$92,936	\$0	\$672,959
60.01 - 65.00	\$0	\$0	\$0	\$616,723	\$119,536	\$0	\$736,259
65.01 - 70.00	\$0	\$0	\$0	\$1,717,741	\$0	\$0	\$1,717,741
70.01 - 75.00	\$0	\$0	\$456,804	\$1,678,882	\$0	\$0	\$2,135,687
75.01 - 80.00	\$0	\$0	\$0	\$585,520	\$0	\$0	\$585,520
Greater than 80.00	\$0	\$0	\$0	\$163,314	\$0	\$0	\$163,314
Total	\$241,700	\$0	\$2,818,855	\$7,464,940	\$369,972	\$0	\$10,895,466



National Bank of Canada Legislative Covered Bond Programme
Monthly Investor Report
 Calculation Date: 31 May 2017

60 to 89 days past due

<u>Indexed LTV (%)</u>	<u>British Columbia</u>	<u>Prairies</u>	<u>Ontario</u>	<u>Quebec</u>	<u>Atlantic</u>	<u>Other</u>	<u>Total</u>
20.00 and below	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20.01 - 25.00	\$0	\$0	\$0	\$20,744	\$0	\$0	\$20,744
25.01 - 30.00	\$0	\$0	\$0	\$26,597	\$0	\$0	\$26,597
30.01 - 35.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35.01 - 40.00	\$0	\$0	\$224,825	\$0	\$0	\$0	\$224,825
40.01 - 45.00	\$141,821	\$0	\$0	\$0	\$0	\$0	\$141,821
45.01 - 50.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50.01 - 55.00	\$0	\$0	\$244,772	\$222,574	\$0	\$0	\$467,346
55.01 - 60.00	\$0	\$0	\$116,707	\$37,360	\$104,544	\$0	\$258,612
60.01 - 65.00	\$0	\$0	\$0	\$933,238	\$182,268	\$0	\$1,115,506
65.01 - 70.00	\$0	\$0	\$0	\$729,770	\$0	\$0	\$729,770
70.01 - 75.00	\$0	\$57,033	\$0	\$821,703	\$0	\$0	\$878,736
75.01 - 80.00	\$0	\$0	\$139,553	\$330,569	\$0	\$0	\$470,122
Greater than 80.00	\$0	\$0	\$0	\$113,530	\$0	\$0	\$113,530
Total	\$141,821	\$57,033	\$725,857	\$3,236,086	\$286,812	\$0	\$4,447,610

90 or more days past due

<u>Indexed LTV (%)</u>	<u>British Columbia</u>	<u>Prairies</u>	<u>Ontario</u>	<u>Quebec</u>	<u>Atlantic</u>	<u>Other</u>	<u>Total</u>
20.00 and below	\$0	\$0	\$0	\$8,445	\$0	\$0	\$8,445
20.01 - 25.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25.01 - 30.00	\$0	\$0	\$0	\$59,787	\$0	\$0	\$59,787
30.01 - 35.00	\$0	\$0	\$0	\$99,938	\$0	\$0	\$99,938
35.01 - 40.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40.01 - 45.00	\$0	\$0	\$0	\$174,374	\$0	\$0	\$174,374
45.01 - 50.00	\$0	\$0	\$0	\$0	\$121,177	\$0	\$121,177
50.01 - 55.00	\$0	\$0	\$0	\$91,590	\$194,879	\$0	\$286,469
55.01 - 60.00	\$0	\$0	\$208,156	\$156,309	\$0	\$0	\$364,465
60.01 - 65.00	\$0	\$0	\$0	\$499,975	\$0	\$0	\$499,975
65.01 - 70.00	\$0	\$0	\$0	\$590,590	\$0	\$0	\$590,590
70.01 - 75.00	\$0	\$0	\$0	\$537,832	\$0	\$0	\$537,832
75.01 - 80.00	\$0	\$0	\$0	\$380,776	\$0	\$0	\$380,776
Greater than 80.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$208,156	\$2,599,614	\$316,056	\$0	\$3,123,826

Cover Pool Indexed LTV - Drawn by Credit Bureau Score

<u>Indexed LTV (%)</u>	<u>599 and below</u>	<u>600 - 650</u>	<u>651 - 700</u>	<u>701 - 750</u>	<u>751 - 800</u>	<u>801 and above</u>	<u>Score Unavailable</u>	<u>Total</u>
20.00 and below	\$1,395,738	\$4,191,012	\$13,675,808	\$53,124,037	\$241,131,373	\$82,635,395	\$7,097,751	\$403,251,113
20.01 - 25.00	\$1,715,804	\$3,138,317	\$14,374,381	\$54,567,346	\$189,490,337	\$41,865,307	\$5,614,357	\$310,765,849
25.01 - 30.00	\$1,645,712	\$7,577,704	\$28,707,222	\$96,741,824	\$236,236,430	\$49,243,017	\$10,986,006	\$431,137,914
30.01 - 35.00	\$3,487,495	\$11,446,686	\$31,728,024	\$140,471,607	\$276,959,589	\$59,464,118	\$12,510,462	\$536,067,980
35.01 - 40.00	\$3,953,255	\$14,809,446	\$46,196,079	\$186,455,419	\$330,680,365	\$60,380,783	\$18,428,495	\$660,903,842
40.01 - 45.00	\$7,258,560	\$17,619,223	\$68,978,471	\$239,218,329	\$394,767,200	\$79,200,996	\$20,235,407	\$827,278,186
45.01 - 50.00	\$9,306,598	\$24,862,458	\$94,278,366	\$326,472,334	\$450,744,657	\$96,112,368	\$25,468,638	\$1,027,245,418
50.01 - 55.00	\$13,270,203	\$31,035,101	\$117,539,287	\$383,657,394	\$495,426,032	\$106,627,920	\$28,781,961	\$1,176,337,897
55.01 - 60.00	\$16,668,123	\$33,879,982	\$122,868,115	\$444,863,725	\$510,664,581	\$113,566,963	\$27,782,562	\$1,270,294,050
60.01 - 65.00	\$23,565,951	\$42,000,829	\$151,501,501	\$487,940,453	\$518,787,164	\$119,331,554	\$25,870,705	\$1,368,998,156
65.01 - 70.00	\$26,322,125	\$53,918,251	\$183,404,690	\$606,837,220	\$484,301,741	\$125,785,481	\$22,840,184	\$1,503,409,693
70.01 - 75.00	\$27,348,370	\$53,370,602	\$223,104,891	\$677,918,023	\$466,425,844	\$127,879,953	\$23,450,620	\$1,599,498,303
75.01 - 80.00	\$16,445,635	\$40,481,935	\$189,245,758	\$480,552,734	\$297,578,901	\$78,564,402	\$20,379,349	\$1,123,248,714
Greater than 80.00	\$2,734,169	\$10,382,639	\$37,373,883	\$81,231,827	\$37,849,233	\$11,629,815	\$3,855,861	\$185,057,427
Total	\$155,117,739	\$348,714,186	\$1,322,976,475	\$4,260,052,270	\$4,931,043,447	\$1,152,288,069	\$253,302,357	\$12,423,494,543

Indexation Methodology

As of the date of this Investor Report, the Guarantor uses the methodology described below (which methodology is, as of the date hereof, the "Indexation Methodology"), to establish the market value of residential properties securing loans included in the Covered Bond Portfolio on a quarterly basis for purposes of the Asset Coverage Test, the Amortization Test, the Valuation Calculation and for other purposes as may be required by the CMHC Guide from time to time. Changes to the Indexation Methodology may only be made (i) upon notice to CMHC and satisfaction of any other conditions specified by CMHC in relation thereto, (ii) if such change constitutes a material change, subject to satisfaction of the Rating Agency Condition, and (iii) if such change is materially prejudicial to the Covered Bondholders, subject to the consent of the Bond Trustee. The Indexation Methodology must at all times comply with the requirements of the CMHC Guide.

The primary index used by the Guarantor to determine the market value of a Property is the Teranet-National Bank Regional and Property Type Sub-Indices™ (the "RPT Sub-Indices"). The RPT Sub-Indices are estimated by tracking the observed or registered home prices over time based on property records of public land registries and grouped based on the first three digits of the Property's postal code. A Property must have been sold at least twice in order to be included in the calculation of the RPT Sub-Indices. In areas where sufficient data is available, the RPT Sub-Indices may be further subdivided by property type (all types, single-family homes and condominiums), which offers another layer of valuation granularity without compromising the statistical estimation error terms. To the extent necessary, the Teranet-National Bank House Price Index™ – Composite 11 Index (the "HPI – Composite 11") will be used for indexation purposes where the RPT Sub-Indices are not available. The HPI – Composite 11 combines the metropolitan areas of Victoria, Vancouver, Calgary, Edmonton, Winnipeg, Hamilton, Toronto, Ottawa, Montréal, Québec and Halifax to form a national composite index. At this time, New Brunswick and Saskatchewan are the only areas relevant to the Covered Bond Portfolio for which the RPT Sub-Indices are not available. For regions where the RPT Sub-Indices are not subdivided by property type, the Guarantor will use the all types sub-index. The RPT Sub-Indices and the HPI – Composite 11 are available by subscription at www.housepriceindex.ca. This website and its contents do not form part of this Investor Report.

For each Property in the Covered Bond Portfolio, the indexed valuation for a quarter will be determined by multiplying the Original Market Value (as defined in the CMHC Guide) for such Property by the percentage change since the valuation date in the price level for the sub-index in which such Property is located and, if available, also based on the property type.

Material risks associated with using the Indexation Methodology include, but are not limited to, the following: the accuracy, adequacy, timeliness and completeness of the indices being relied upon; the consistency in underlying methodology of such indices; the continued availability of the home sale price data provided to Teranet; in the case of Properties outside of the regions covered by the RPT Sub-Indices, the risk that the HPI – Composite 11 may not accurately capture unique factors affecting local housing markets; and in the case of Properties located within the regions where the RPT Sub-Indices are not subdivided by property type, the risk that the all-types sub-index may not account for differences in property value changes based on property type.

National Bank of Canada (in its capacity as a licensor of the Index (as defined below), the "NBC Licensor") has, jointly with Teranet Inc. ("Teranet" and collectively with the NBC Licensor and their third party licensors the "Licensors"), developed a methodology and algorithm to create a residential house price index. The National Bank of Canada Legislative Covered Bond Programme (the "Programme") is not endorsed, sold or promoted by the Licensors. None of the Licensors make any representation or warranty, express or implied, to the parties to the Programme or any member of the public regarding the advisability or recommendation of investing in the Programme particularly or concerning the results to be obtained from the Teranet-National Bank House Price Index™ and the Teranet-National Bank Regional and Property Type Sub-Indices™ (the "Index") and its ability to track the performance of the residential real estate and housing markets or concerning the extent to which the capital value or income return of the Programme matches or will match the performance of the Index or the levels at which Index may stand at a particular date. The Licensors' only relationship to National Bank of Canada as licensee (in such capacity, "NBC") is the licensing of certain trademarks and trade names of the Licensors without regards to NBC or the Programme. The Licensors have no obligation to take the needs of NBC or the parties to the Programme into consideration in determining, composing or calculating the Index. None of the Licensors is responsible for and none has participated in determining the pricing, quantities or timing of the execution of the Programme by the parties thereto or the assessment or method of settlement calculation therefor. The Licensors have no obligation or liability in connection with the administration, marketing or trading of the Programme.

None of the Licensors or any of their affiliates guarantees the adequacy, accuracy, timeliness or completeness of the Index or any data included therein, or any communications related thereto. None of the Licensors or any of their affiliates shall be subject to any damages or liabilities for any errors, omissions or delays of the dissemination of the Index. None of the Licensors or any of their affiliates makes express or implied warranties, and each of them expressly disclaims all warranties or merchantability or fitness for a particular purpose or use with respect to the Index or any data included therein. Without limiting any of the foregoing, in no event whatsoever shall the Licensors or any of their affiliates be liable for any direct, special, incidental, punitive or consequential damages, including but not limited to loss of profits, trading losses, lost time or goodwill, even if they have been advised of the possibility of such damages, whether in contract, tort, strict liability or otherwise. The Teranet-National Bank House Price Index™ and the Teranet-National Bank Regional and Property Type Sub-Indices™ are trademarks of Teranet and the NBC Licensor, and have been licensed for use by NBC.