

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.

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Programme Information

<u>Series</u>	<u>Initial Amount</u>	<u>Translation Rate</u>	<u>C\$ Equivalent</u>	<u>Maturity Date</u>	<u>Legal Final Maturity</u>	<u>Coupon Rate</u>	<u>Rate Type</u>	<u>Maturity Type</u>
CB1	€1,000,000,000	1.4618 C\$/€	\$1,461,800,000	17-Dec-2018	17-Dec-2019	1.250%	Fixed	Soft
CB2	€1,000,000,000	1.5363 C\$/€	\$1,536,300,000	25-Mar-2021	25-Mar-2022	1.500%	Fixed	Soft
Total			\$2,998,100,000					

Weighted Average Maturity of Outstanding Covered Bonds (months)	66.57
Weighted Average Remaining Term of Loans in Cover Pool (months)	24.02

Series Ratings

	<u>Moody's</u>	<u>DBRS</u>	<u>Fitch Ratings</u>
CB1	Aaa	AAA	AAA
CB2	Aaa	AAA	AAA

Supplementary Information
Parties

Issuer	National Bank of Canada
Guarantor Entity	NBC Covered Bond Guarantor (Legislative) 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 (NBC)
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	Aa3	AA(low)	A+
Short Term	A-1	P-1	R-1(mid)	F1
Outlook	Stable ⁽¹⁾	Negative	Stable	Stable

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

	<u>Moody's</u>	<u>DBRS</u>	<u>Fitch Ratings</u>
Senior Debt	Aa3	AA	AA
Short Term	P-1	R-1(high)	F1+

(1) Outlook revised to negative on August 8th, 2014

Supplementary Information (continued)
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 Providers transfer credit support and replace itself or obtain a guarantee for its obligations.

<u>Role (Current Party)</u>	<u>Moody's</u>	<u>DBRS</u>	<u>Fitch Ratings</u>
Account Bank & GIC Provider (NBC)	P-1*	R-1(mid)* & A(high)	F1* or A
Standby Account Bank & GIC Provider (RBC)	P-1*	R-1(mid)* & A(high)	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 Ratings</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 Ratings</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 Ratings</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 Ratings</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 Ratings</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 ⁽²⁾	R-1(mid)* & A(high)	F1* or A

Events of Default

Issuer Event of Default	No
Guarantor Event of Default	No

*Short Term rating

(2) 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.

Asset Coverage Test

Outstanding Covered Bonds	\$2,998,100,000		
A = Lesser of (i) LTV Adjusted True Balance and (ii) Asset Percentage Adjusted True Balance	\$4,002,763,151	A(i):	\$4,365,048,276
		A(ii):	\$4,002,763,151
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	\$0		
Z = Negative Carry Factor calculation	\$83,158,256		
Total: A + B + C + D + E - Y - Z	<u><u>\$3,919,604,895</u></u>		

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	\$3,025,754,843
A = LTV Adjusted Loan Present Value	\$4,334,541,701
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	<u><u>\$4,334,541,701</u></u>

Weighted average market rate used for discounting: 3.50%

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	\$3,275,222,936
Demand Loan	\$1,202,531,610
Total	<u><u>\$4,477,754,546</u></u>

Covered Bonds Outstanding vs OSFI Limit

Covered Bonds Currently Outstanding (CAD Equivalent):	
Issued under the Structured Covered Bond Programme	\$2,019,080,000
Issued under the Legislative Covered Bond Programme	\$2,998,100,000
Total	<u><u>\$5,017,180,000</u></u>
OSFI Maximum (CAD Equivalent):	\$7,681,070,040

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.



National Bank of Canada Legislative Covered Bond Programme

Monthly Investor Report

Calculation Date: 31-Jul-2014

Cover Pool Summary Statistics

Previous Month Ending Balance	\$4,481,461,886
Current Balance	\$4,366,025,305
Number of Mortgages in Pool	37,901
Average Mortgage Size	\$115,196
Number of Properties	29,535
Number of Borrowers	28,988
Weighted Average Indexed Authorized LTV	63.55%
Weighted Average Indexed Drawn LTV	57.10%
Weighted Average Original LTV	73.31%
Weighted Average Interest Rate	3.12%
Weighted Average Seasoning	25.52 months
Weighted Average Original Term	49.54 months
Weighted Average Remaining Term	24.02 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

<u>Aging Summary</u>	<u>Number of Loans</u>	<u>Percentage</u>	<u>Principal Balance</u>	<u>Percentage</u>
Current and less than 30 days past due	37,850	99.87%	\$4,360,190,552	99.87%
30 to 59 days past due	31	0.08%	\$3,427,585	0.08%
60 to 89 days past due	10	0.03%	\$1,502,643	0.03%
90 or more days past due	10	0.03%	\$904,526	0.02%
Total	37,901	100.00%	\$4,366,025,305	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	998	2.63%	\$208,603,952	4.78%
Prairies	1,470	3.88%	\$277,259,650	6.35%
Ontario	6,767	17.85%	\$1,169,955,463	26.80%
Quebec	27,955	73.76%	\$2,651,098,486	60.72%
Atlantic	711	1.88%	\$59,107,755	1.35%
Other	0	0.00%	\$0	0.00%
Total	37,901	100.00%	\$4,366,025,305	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	655	1.73%	\$93,324,502	2.14%
599 and below	727	1.92%	\$78,502,783	1.80%
600 - 650	1,427	3.77%	\$169,902,711	3.89%
651 - 700	4,462	11.77%	\$554,716,764	12.71%
701 - 750	12,308	32.47%	\$1,497,892,452	34.31%
751 - 800	14,696	38.77%	\$1,618,790,686	37.08%
800 and above	3,626	9.57%	\$352,895,407	8.08%
Total	37,901	100.00%	\$4,366,025,305	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	31,456	83.00%	\$3,587,805,511	82.18%
Variable	6,445	17.00%	\$778,219,795	17.82%
Total	37,901	100.00%	\$4,366,025,305	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	33,177	87.54%	\$3,669,168,849	84.04%
Non-Owner Occupied	4,724	12.46%	\$696,856,456	15.96%
Total	37,901	100.00%	\$4,366,025,305	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	20,547	54.21%	\$2,453,931,575	56.21%
Mortgage Segment of All-in-One Product	17,354	45.79%	\$1,912,093,730	43.79%
Total	37,901	100.00%	\$4,366,025,305	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 2.00000	592	1.56%	\$68,444,528	1.57%
2.00000 - 2.99999	16,178	42.68%	\$2,153,236,110	49.32%
3.00000 - 3.99999	16,905	44.60%	\$1,817,206,205	41.62%
4.00000 - 4.99999	3,307	8.73%	\$240,577,100	5.51%
5.00000 - 5.99999	728	1.92%	\$69,343,713	1.59%
6.00000 - 6.99999	188	0.50%	\$17,047,250	0.39%
7.00000 - 7.99999	3	0.01%	\$170,399	0.00%
8.00000 or greater	0	0.00%	\$0	0.00%
Total	37,901	100.00%	\$4,366,025,305	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	21,030	55.49%	\$1,069,981,587	24.51%
100,000 - 149,999	6,859	18.10%	\$846,874,588	19.40%
150,000 - 199,999	4,431	11.69%	\$765,983,177	17.54%
200,000 - 249,999	2,314	6.11%	\$516,894,604	11.84%
250,000 - 299,999	1,324	3.49%	\$361,830,480	8.29%
300,000 - 349,999	809	2.13%	\$261,164,504	5.98%
350,000 - 399,999	425	1.12%	\$158,621,768	3.63%
400,000 - 449,999	229	0.60%	\$96,945,930	2.22%
450,000 - 499,999	158	0.42%	\$75,052,365	1.72%
500,000 - 549,999	105	0.28%	\$55,028,124	1.26%
550,000 - 599,999	80	0.21%	\$45,795,375	1.05%
600,000 - 649,999	35	0.09%	\$21,792,326	0.50%
650,000 - 699,999	19	0.05%	\$12,854,047	0.29%
700,000 - 749,999	15	0.04%	\$10,859,111	0.25%
750,000 - 799,999	13	0.03%	\$10,101,687	0.23%
800,000 - 849,999	16	0.04%	\$13,207,275	0.30%
850,000 - 899,999	11	0.03%	\$9,624,123	0.22%
900,000 - 949,999	8	0.02%	\$7,358,053	0.17%
950,000 - 999,999	3	0.01%	\$2,896,249	0.07%
1,000,000 and above	17	0.04%	\$23,159,932	0.53%
Total	37,901	100.00%	\$4,366,025,305	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	3299	8.70%	\$347,707,872	7.96%
6 - 11	5,047	13.32%	\$580,316,532	13.29%
12 - 23	12,060	31.82%	\$1,351,368,010	30.95%
24 - 35	9,212	24.31%	\$1,092,591,423	25.02%
36 - 47	6,753	17.82%	\$851,995,805	19.51%
48 - 59	1,306	3.45%	\$116,877,008	2.68%
60 - 71	150	0.40%	\$16,894,327	0.39%
72 - 83	9	0.02%	\$659,100	0.02%
84 or Greater	65	0.17%	\$7,615,229	0.17%
Total	37,901	100.00%	\$4,366,025,305	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	31,318	82.63%	\$3,518,230,228	80.58%
Condominium	3,577	9.44%	\$441,320,856	10.11%
2 - 4 Family Unit	3,006	7.93%	\$406,474,221	9.31%
Total	37,901	100.00%	\$4,366,025,305	100.00%



National Bank of Canada Legislative Covered Bond Programme

Monthly Investor Report

Calculation Date: 31-Jul-2014

Cover Pool Indexed LTV - Authorized Distribution

<u>Indexed LTV (%)</u>	<u>Number of Properties</u>	<u>Percentage</u>	<u>Principal Balance</u>	<u>Percentage</u>
20.00 and below	601	2.03%	\$21,709,715	0.50%
20.01 - 25.00	350	1.19%	\$22,480,141	0.51%
25.01 - 30.00	497	1.68%	\$41,565,654	0.95%
30.01 - 35.00	667	2.26%	\$62,515,274	1.43%
35.01 - 40.00	902	3.05%	\$95,663,403	2.19%
40.01 - 45.00	1,322	4.48%	\$165,304,756	3.79%
45.01 - 50.00	1,565	5.30%	\$211,541,467	4.85%
50.01 - 55.00	1,982	6.71%	\$297,779,425	6.82%
55.01 - 60.00	2,828	9.58%	\$442,886,234	10.14%
60.01 - 65.00	3,807	12.89%	\$612,691,182	14.03%
65.01 - 70.00	5,406	18.30%	\$886,739,367	20.31%
70.01 - 75.00	6,809	23.05%	\$1,086,362,243	24.88%
75.01 - 80.00	2,714	9.19%	\$401,744,508	9.20%
Greater than 80.00	85	0.29%	\$17,041,936	0.39%
Total	29,535	100.00%	\$4,366,025,305	100.00%

Cover Pool Indexed LTV - Drawn Distribution

<u>Indexed LTV (%)</u>	<u>Number of Properties</u>	<u>Percentage</u>	<u>Principal Balance</u>	<u>Percentage</u>
20.00 and below	2,108	7.14%	\$109,728,978	2.51%
20.01 - 25.00	1,010	3.42%	\$82,424,993	1.89%
25.01 - 30.00	1,236	4.18%	\$123,380,462	2.83%
30.01 - 35.00	1,430	4.84%	\$158,256,851	3.62%
35.01 - 40.00	1,640	5.55%	\$203,229,072	4.65%
40.01 - 45.00	2,037	6.90%	\$276,886,086	6.34%
45.01 - 50.00	2,147	7.27%	\$309,182,884	7.08%
50.01 - 55.00	2,366	8.01%	\$368,490,420	8.44%
55.01 - 60.00	2,919	9.88%	\$481,671,786	11.03%
60.01 - 65.00	3,424	11.59%	\$588,156,964	13.47%
65.01 - 70.00	4,502	15.24%	\$797,157,136	18.26%
70.01 - 75.00	4,133	13.99%	\$758,977,871	17.38%
75.01 - 80.00	570	1.93%	\$105,640,018	2.42%
Greater than 80.00	13	0.04%	\$2,841,785	0.07%
Total	29,535	100.00%	\$4,366,025,305	100.00%

Provincial Distribution by Indexed LTV - Drawn and Aging Summary

Current and less than 30 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	\$11,639,546	\$5,440,087	\$38,028,667	\$53,851,807	\$768,870	\$0	\$109,728,978
20.01 - 25.00	\$5,344,625	\$3,794,683	\$32,864,452	\$39,918,396	\$488,647	\$0	\$82,410,803
25.01 - 30.00	\$7,797,392	\$7,589,693	\$43,683,579	\$62,814,801	\$1,448,407	\$0	\$123,333,872
30.01 - 35.00	\$10,613,000	\$9,284,567	\$51,778,891	\$85,799,005	\$781,388	\$0	\$158,256,851
35.01 - 40.00	\$14,626,300	\$8,385,321	\$61,960,111	\$116,555,832	\$1,701,509	\$0	\$203,229,072
40.01 - 45.00	\$13,987,392	\$12,491,852	\$88,419,897	\$159,580,722	\$2,356,740	\$0	\$276,836,603
45.01 - 50.00	\$13,109,173	\$15,176,490	\$97,624,010	\$180,534,876	\$2,500,837	\$0	\$308,945,386
50.01 - 55.00	\$20,634,692	\$20,337,310	\$113,251,005	\$208,862,140	\$5,217,992	\$0	\$368,303,140
55.01 - 60.00	\$15,735,794	\$27,676,214	\$140,075,311	\$289,960,239	\$7,604,819	\$0	\$481,052,376
60.01 - 65.00	\$20,036,170	\$51,935,890	\$146,531,648	\$361,013,090	\$7,794,332	\$0	\$587,311,130
65.01 - 70.00	\$24,663,527	\$66,929,438	\$184,308,435	\$504,162,164	\$15,407,815	\$0	\$795,471,378
70.01 - 75.00	\$34,920,909	\$40,025,899	\$154,352,906	\$515,211,915	\$12,488,641	\$0	\$757,000,271
75.01 - 80.00	\$13,403,502	\$7,270,370	\$16,153,172	\$68,512,235	\$129,627	\$0	\$105,468,907
Greater than 80.00	\$2,091,931	\$749,854	\$0	\$0	\$0	\$0	\$2,841,785
Total	\$208,603,952	\$277,087,668	\$1,169,032,085	\$2,646,777,224	\$58,689,623	\$0	\$4,360,190,552



National Bank of Canada Legislative Covered Bond Programme

Monthly Investor Report

Calculation Date: 31-Jul-2014

Provincial Distribution by Indexed LTV - Drawn and Aging Summary (continued)

30 to 59 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	\$14,190	\$0	\$0	\$14,190
25.01 - 30.00	\$0	\$0	\$0	\$46,589	\$0	\$0	\$46,589
30.01 - 35.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35.01 - 40.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40.01 - 45.00	\$0	\$0	\$0	\$49,482	\$0	\$0	\$49,482
45.01 - 50.00	\$0	\$0	\$149,384	\$79,612	\$0	\$0	\$228,996
50.01 - 55.00	\$0	\$0	\$0	\$56,707	\$0	\$0	\$56,707
55.01 - 60.00	\$0	\$0	\$0	\$201,278	\$418,131	\$0	\$619,410
60.01 - 65.00	\$0	\$0	\$136,117	\$444,683	\$0	\$0	\$580,800
65.01 - 70.00	\$0	\$0	\$637,877	\$268,298	\$0	\$0	\$906,174
70.01 - 75.00	\$0	\$0	\$0	\$925,236	\$0	\$0	\$925,236
75.01 - 80.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Greater than 80.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$923,378	\$2,086,076	\$418,131	\$0	\$3,427,585

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	\$0	\$0	\$0	\$0
25.01 - 30.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30.01 - 35.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35.01 - 40.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40.01 - 45.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
45.01 - 50.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50.01 - 55.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
55.01 - 60.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
60.01 - 65.00	\$0	\$0	\$0	\$143,991	\$0	\$0	\$143,991
65.01 - 70.00	\$0	\$0	\$0	\$643,126	\$0	\$0	\$643,126
70.01 - 75.00	\$0	\$0	\$0	\$544,414	\$0	\$0	\$544,414
75.01 - 80.00	\$0	\$0	\$0	\$171,111	\$0	\$0	\$171,111
Greater than 80.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$1,502,643	\$0	\$0	\$1,502,643

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	\$0	\$0	\$0	\$0
20.01 - 25.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25.01 - 30.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30.01 - 35.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35.01 - 40.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40.01 - 45.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
45.01 - 50.00	\$0	\$0	\$0	\$8,502	\$0	\$0	\$8,502
50.01 - 55.00	\$0	\$0	\$0	\$130,573	\$0	\$0	\$130,573
55.01 - 60.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
60.01 - 65.00	\$0	\$0	\$0	\$121,044	\$0	\$0	\$121,044
65.01 - 70.00	\$0	\$0	\$0	\$136,457	\$0	\$0	\$136,457
70.01 - 75.00	\$0	\$171,982	\$0	\$335,968	\$0	\$0	\$507,950
75.01 - 80.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Greater than 80.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$171,982	\$0	\$732,544	\$0	\$0	\$904,526

Cover Pool Indexed LTV - Drawn by Credit Bureau Score
Indexed LTV (%)

	599 and below	600 - 650	651 - 700	701 - 750	751 - 800	800 and above	Score Unavailable	Total
20.00 and below	\$158,140	\$647,323	\$2,496,281	\$12,954,684	\$66,524,165	\$24,923,590	\$2,024,795	\$109,728,978
20.01 - 25.00	\$215,539	\$975,257	\$3,696,362	\$16,109,936	\$49,842,133	\$10,672,662	\$913,104	\$82,424,993
25.01 - 30.00	\$1,071,872	\$1,762,021	\$6,189,788	\$25,760,351	\$72,287,379	\$14,058,051	\$2,250,999	\$123,380,462
30.01 - 35.00	\$1,185,274	\$2,825,803	\$11,015,523	\$34,482,592	\$87,438,925	\$18,121,953	\$3,186,781	\$158,256,851
35.01 - 40.00	\$2,552,897	\$5,020,483	\$14,130,892	\$58,612,618	\$102,099,905	\$16,728,578	\$4,083,698	\$203,229,072
40.01 - 45.00	\$2,640,242	\$6,905,374	\$25,294,936	\$81,435,598	\$127,956,472	\$25,689,832	\$6,963,632	\$276,886,086
45.01 - 50.00	\$4,384,032	\$8,814,041	\$25,488,677	\$100,270,513	\$134,907,591	\$25,482,079	\$9,835,952	\$309,182,884
50.01 - 55.00	\$4,799,042	\$14,258,991	\$43,283,096	\$128,964,289	\$135,702,833	\$30,379,390	\$11,102,778	\$368,490,420
55.01 - 60.00	\$7,312,653	\$19,889,917	\$58,615,951	\$173,874,177	\$173,991,749	\$34,657,734	\$13,329,604	\$481,671,786
60.01 - 65.00	\$12,263,678	\$22,986,153	\$82,698,089	\$230,760,598	\$182,528,449	\$43,787,741	\$13,132,256	\$588,156,964
65.01 - 70.00	\$17,895,032	\$36,984,909	\$127,420,079	\$302,061,491	\$247,545,517	\$53,044,944	\$12,205,164	\$797,157,136
70.01 - 75.00	\$21,155,186	\$40,009,425	\$129,810,745	\$290,133,183	\$217,103,408	\$49,126,043	\$11,639,880	\$758,977,871
75.01 - 80.00	\$2,624,355	\$8,529,719	\$24,273,410	\$41,152,430	\$20,667,571	\$6,222,809	\$2,169,723	\$105,640,018
Greater than 80.00	\$244,841	\$293,295	\$302,934	\$1,319,991	\$194,588	\$0	\$486,137	\$2,841,785
Total	\$78,502,783	\$169,902,711	\$554,716,764	\$1,497,892,452	\$1,618,790,686	\$352,895,407	\$93,324,502	\$4,366,025,305

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.

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