

The National Bank of Canada (the "Bank") short form base shelf prospectus dated June 20, 2014, as amended or supplemented (the "Prospectus"), the prospectus supplement to the Prospectus dated June 23, 2014 (the "Prospectus Supplement") and the pricing supplement No. AC399 dated April 13, 2016 (the "Pricing Supplement") (together, the "Prospectus"), containing important information relating to the Note Securities described in this document, have been filed with the securities regulatory authorities in each of the provinces of Canada. A copy of the Prospectus is required to be delivered with this document. This document does not provide full disclosure of all material facts relating to the Note Securities offered. Prospective investors should read the Prospectus, and any amendment thereto, for disclosure of those facts, especially risk factors relating to the Note Securities offered, before making an investment decision. Capitalized terms used herein and not otherwise defined have the meaning ascribed thereto in the Pricing Supplement, the Prospectus Supplement and the Prospectus. *The Note Securities constitute Index Linked Note Securities under the Prospectus. NBC Auto Callable Note Securities (no direct currency exposure; price return) Program.*

NBC NOTE SECURITIES

NBC Auto Callable Note Securities (Maturity-Monitored Barrier) linked to the EURO STOXX 50® Index, due on May 12, 2021



SELLING PERIOD:

April 14, 2016 to May 5, 2016

ISSUANCE DATE:

May 12, 2016

MATURITY DATE:

May 12, 2021

INVESTMENT HIGHLIGHTS:

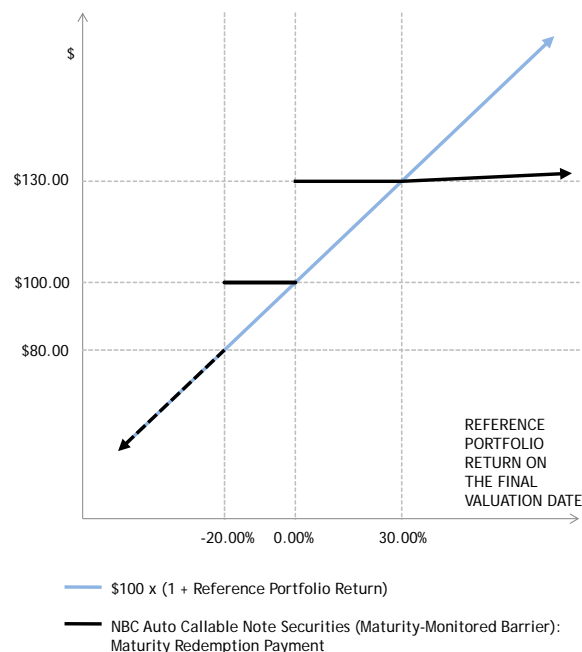
- Reference Portfolio: EURO STOXX 50® Index
- Term: 5 years
- Variable Return: 5.00% of the amount by which the Reference Portfolio Return exceeds the Fixed Return
- Barrier: -20.00%
- Fixed Returns applicable to the Call Valuation Dates if the Reference Portfolio Return is then higher than the Call Threshold:

Year 1	10.00%
Year 2	15.00%
Year 3	20.00%
Year 4	25.00%
Year 5	30.00%

- Currency: Canadian dollars
- Early Trading Charge: \$3.60 per Note Security, declining every 15 days by \$0.30 to be \$0.00 after 180 days from and including the Issuance Date.
- Daily secondary market available under normal market conditions

NOTE SECURITIES RETURN PER \$100 PRINCIPAL AMOUNT:

The following graph is based on the assumption the Note Securities have not been called on a Call Date and illustrates the relationship between the Reference Portfolio Return, the Call Threshold, the Barrier, the Participation Factor and the Maturity Redemption Payment. There can be no assurance that the Final Level for any Reference Asset will be higher than its Initial Level and there can be no assurance that the Reference Portfolio Return will be higher than the Call Threshold or higher than the Barrier on the Final Valuation Date.



SAMPLE RETURN CALCULATIONS:

	Reference Portfolio Return					Note Securities Return
	2017	2018	2019	2020	2021	
Reference Portfolio Return is equal to or lower than the Barrier on the Final Valuation Date :						
Example 1	-5.00%	-2.00%	-9.00%	-15.00%	-55.00%	-55.00% (Annual compounded return of -14.75%)
Reference Portfolio Return is higher than the Barrier on the Final Valuation Date:						
Example 2	-5.00%	-2.00%	-9.00%	-15.00%	-15.00%	0.00% (Annual compounded return of 0.00%)
Example 3	-5.00%	-2.00%	-9.00%	-3.00%	7.00%	30.00% (Annual compounded return of 5.38%)
Example 4	-5.00%	-2.00%	-9.00%	-3.00%	48.50%	30.93% (Annual compounded return of 5.53%)
Note Securities are automatically called prior to the Maturity Date:						
Example 5	5.00%	N/A	N/A	N/A	N/A	10.00% (Annual compounded return of 10.00%)
Example 6	-5.00%	-2.00%	4.10%	N/A	N/A	20.00% (Annual compounded return of 6.26%)
Example 7	-5.00%	-2.00%	41.05%	N/A	N/A	21.05% (Annual compounded return of 6.57%)

The Reference Asset Return for the Reference Asset is a price return, and will not take into account dividends and/or distributions paid by the issuers or constituents of the Reference Asset. As of April 5, 2016, the dividends and/or distributions paid on account of all of the issuers or constituents of the Reference Asset in the Reference Portfolio represented an annual indicative yield of 4.23%, representing an aggregate yield of approximately 21.15% over the term of the Note Securities, assuming that the yield remains constant and the dividends and/or distributions are not reinvested.

→ Should you have any questions, do not hesitate to contact your advisor.

FUNDSEV CODE: NBC3220

Dated April 13, 2016

Summary of the Offering

Issuer:	National Bank of Canada					
Issuer Credit Rating:	Long-term deposits rated DBRS: AA (low) / S&P: A / Moody's: Aa3 The Note Securities have not been rated by any rating agencies.					
Principal Amount:	\$100					
Minimum Subscription:	\$5,000 (50 Note Securities) and integral multiples of \$100 (1 Note Security) in excess thereof.					
Auto Callable Type:	Maturity-Monitored Barrier					
Currency:	Canadian dollars					
Issuance Date:	May 12, 2016					
Maturity Date:	May 12, 2021					
Reference Portfolio:	Reference Asset name	Reference Asset ticker from Bloomberg	Price Source	Closing Level	Reference Asset type	Reference Asset Weight
	EURO STOXX 50® Index	SX5E	STOXX Limited	Closing level	Index	100%
Maturity Redemption Payment:	<p>The Maturity Redemption Payment per Note Security will be as follows:</p> <ul style="list-style-type: none"> (i) if the Reference Portfolio Return is higher than the Call Threshold on a Call Valuation Date, the Note Securities will be automatically called on the applicable Call Date and the Maturity Redemption Payment will be equal to $\\$100 \times [1 + \text{Fixed Return applicable to the given Call Valuation Date} + \text{Variable Return}]$; or (ii) if the Note Securities are not automatically called and the Reference Portfolio Return is higher than the Call Threshold on the Final Valuation Date, the Maturity Redemption Payment will be equal to $\\$100 \times [1 + \text{Fixed Return applicable to the Final Valuation Date} + \text{Variable Return}]$; or (iii) if the Note Securities are not automatically called and the Reference Portfolio Return is equal to or lower than the Call Threshold but higher than the Barrier on the Final Valuation Date, the Maturity Redemption Payment will be equal to \$100; or (iv) if the Note Securities are not automatically called and the Reference Portfolio Return is lower than the Call Threshold and is equal to or lower than the Barrier on the Final Valuation Date, the Maturity Redemption Payment will be equal to $\\$100 \times [1 + \text{Reference Portfolio Return}]$. <p>Investors should understand from the foregoing that they will be entitled to a single payment under the Note Securities on either the Maturity Date or a Call Date. If the Note Securities are automatically called, the investment in the Note Securities will terminate as of the applicable Call Date and as such, Holders will receive the Maturity Redemption Payment applicable to such Call Date and not the Maturity Redemption Payment that they would have otherwise been entitled to on a subsequent Call Date or on the Maturity Date if the Note Securities had not been called.</p> <p>Notwithstanding the foregoing, the Maturity Redemption Payment will be subject to a minimum of 1% of the Principal Amount.</p>					
Participation Factor:	5.00%					
Barrier:	-20.00%					
Reference Portfolio Return:	On any day, the weighted average return of the Reference Assets calculated as the sum of the Weighted Reference Asset Return of each of the Reference Assets comprising the Reference Portfolio.					
Weighted Reference Asset Return:	For each Reference Asset contained in the Reference Portfolio and on any day, the product of (i) the Reference Asset Return and (ii) the Reference Asset Weight.					
Reference Asset Return:	<p>For each Reference Asset contained in the Reference Portfolio and on any day, a number, expressed as a percentage, calculated as follows:</p> $(\text{Closing Level} / \text{Initial Level}) - 1$ <p>The Reference Asset Return for the Reference Asset is a price return, and will not take into account dividends and/or distributions paid by the issuers or constituents of the Reference Asset. As of April 5, 2016, the dividends and/or distributions paid on account of all of the issuers or constituents of the Reference Asset in the Reference Portfolio represented an annual indicative yield of 4.23%, representing an aggregate yield of approximately 21.15% over the term of the Note Securities, assuming that the yield remains constant and the dividends and/or distributions are not reinvested.</p>					
Initial Level:	The Closing Level on the Issuance Date.					
Final Level:	The Closing Level on the Call Valuation Date and the Final Valuation Date.					

Fixed Return:

Valuation Date	Call Threshold	Fixed Return	Fixed Return (Annually compounded)	Call Dates	Maturity Redemption Payment (if the Reference Portfolio Return is higher than the Call Threshold on the specified Valuation Date)
Call Valuation Date (Year 1): May 5, 2017	0.00%	10.00%	10.00%	May 12, 2017	\$110.00 plus the amount attributable to the Variable Return, if any.
Call Valuation Date (Year 2): May 7, 2018	0.00%	15.00%	7.22%	May 14, 2018	\$115.00 plus the amount attributable to the Variable Return, if any.
Call Valuation Date (Year 3): May 6, 2019	0.00%	20.00%	6.26%	May 13, 2019	\$120.00 plus the amount attributable to the Variable Return, if any.
Call Valuation Date (Year 4): May 5, 2020	0.00%	25.00%	5.73%	May 12, 2020	\$125.00 plus the amount attributable to the Variable Return, if any.
Final Valuation Date: May 5, 2021, subject to postponement under certain circumstances as described in the Prospectus.	0.00%	30.00%	5.38%	Maturity Date	\$130.00 plus the amount attributable to the Variable Return, if any.

Variable Return:

On a given Call Valuation Date and the Final Valuation Date, a percentage calculated as follows:

- (i) where the Reference Portfolio Return is less than or equal to the Fixed Return applicable to the given Call Valuation Date or Final Valuation Date, the Variable Return will be equal to 0%; or
- (ii) where the Reference Portfolio Return is greater than the Fixed Return applicable to the given Call Valuation Date or Final Valuation Date, the Variable Return will be equal to the product of (i) the Participation Factor and (ii) the amount by which the Reference Portfolio Return exceeds such Fixed Return.

Agents:

National Bank Financial Inc. ("NBF") and Richardson GMP Limited. Richardson GMP Limited will act as Independent Agent.

Listing and Secondary Market:

The Note Securities will not be listed on any securities exchange or quotation system. NBF intends to maintain until the Final Valuation Date (or until a Call Valuation Date, if the Note Securities are automatically called (i.e. redeemed) prior to the Maturity Date), under normal market conditions, a daily secondary market for the Note Securities. If the price or the level of a Reference Asset is not published or, in an applicable case, if trading in a Reference Asset is disrupted or suspended, or if any other Market Disruption Event occurs, NBF will generally deem that normal market conditions do not exist. NBF may, in its sole discretion, stop maintaining a market for the Note Securities at any time without any prior notice to Holders. There can be no assurance that a secondary market will develop or, if one develops, that it will be liquid.

In addition, any sale of Note Securities facilitated by NBF may be subject to an early trading charge, deductible from the sale proceeds of the Note Securities. Holders who have purchased Note Securities using the FundSERV network will be limited to the FundSERV network to sell Note Securities.

Early Trading Charge:

\$3.60 per Note Security, declining every 15 days by \$0.30 to be \$0.00 after 180 days from and including the Issuance Date.

Eligibility for Investment:

Eligible for RRSPs, RRIFFs, RESPs, RDSPs, DPSPs and TFSA's. See "Eligibility for Investment" in the Prospectus Supplement and the Prospectus.

Suitability for Investment

The Note Securities are not suitable for all investors. In determining whether the Note Securities are a suitable investment for you please consider that:

- the Note Securities provide no protection for your original principal investment and if the Reference Portfolio Return is equal to or lower than the Call Threshold on every Call Valuation Date and is equal to or lower than the Barrier on the Final Valuation Date, you will receive an amount which is less than your original principal investment at the Maturity Payment Date;
- your Note Securities will be redeemed automatically prior to the Maturity Date if on any Call Valuation Date the Reference Portfolio Return is higher than the Call Threshold;
- any positive Reference Portfolio Return in excess of the Fixed Return on either a Call Valuation Date or the Final Valuation Date will be multiplied by a Participation Factor which will result in a Holder receiving less than 100% of that excess amount, as the case may be;
- your investment strategy should be consistent with the investment features of the Note Securities;
- your investment time horizon should correspond with the term of the Note Securities; and
- your investment will be subject to the risk factors summarized in the section "Risk Factors" in the Pricing Supplement, the Prospectus Supplement and the Prospectus.

Risk Factors

The Note Securities differ from conventional debt and fixed income investments in that they do not provide Holders with a return or income stream prior to maturity and the repayment of their Principal Amount at maturity is not guaranteed. The Note Securities entail downside risk and are not designed to be alternatives to conventional debt and fixed income investments or money market instruments.

Investing in the Note Securities involves risks that are described under "Risk Factors" in the Pricing Supplement, the Prospectus Supplement and the Prospectus, including, without limitation, the section therein entitled "Certain Risk Factors related to the Index Linked Note Securities". Purchasers are urged to read the information about these risks, together with the other information in the Pricing Supplement, the Prospectus Supplement and the Prospectus, before investing in the Note Securities. **Holders who are not prepared to accept the risks described in the Pricing Supplement, the Prospectus Supplement and the Prospectus should not invest in the Note Securities.**

NOTICE

The Note Securities will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon insolvency of the deposit taking institution.

Amounts paid to Holders will depend on the performance of the Reference Portfolio. Neither the Bank, its affiliates, the Agents, nor any other person or entity guarantees that Holders will receive an amount equal to their original investment in the Note Securities or guarantees that any return will be paid on the Note Securities on a Call Date or at maturity. Since the Note Securities are not protected and the Principal Amount will be at risk (other than the minimum Maturity Redemption Payment of 1% of the Principal Amount), it is possible that Holders could lose some or substantially all of their original investment in the Note Securities.

For the various risks associated with such an investment, please see the "Risk Factors" section of this document and the "Risk Factors" section in the Pricing Supplement, the Prospectus Supplement and the Prospectus. Any prospective investor must be able to bear the risks involved and must meet the suitability requirement of the Note Securities. Please see the section "Suitability of the Note Securities for Investors" in the Pricing Supplement and the Prospectus Supplement.

