

This Pricing Supplement (the "Pricing Supplement") together with the short form base shelf prospectus dated July 4, 2016, as amended or supplemented (the "Prospectus") and the Prospectus Supplement thereto dated September 2, 2016 as amended or supplemented (the "Prospectus Supplement") to which it relates, and each document incorporated by reference into such prospectus constitutes a public offering of securities only in the jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities commission or similar regulatory authority has in any way passed upon the merits of securities offered hereunder and any representation to the contrary is an offence. The Note Securities to be issued hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended and, subject to certain exemptions, may not be offered, sold or delivered, directly or indirectly, in the United States of America to or for the account or benefit of U.S. persons.

Pricing Supplement No. MA121 dated January 9, 2017

(to the short form base shelf prospectus dated July 4, 2016, as supplemented by the Prospectus Supplement entitled NBC Marathon™ (Accelerator) Note Securities (no direct currency exposure; price return) Program dated September 2, 2016)



NATIONAL BANK OF CANADA

NBC Marathon™ (Accelerator) Note Securities (no direct currency exposure; price return) Program

NBC Marathon™ (Accelerator) Note Securities (No Barrier) linked to the S&P/TSX Composite Low Volatility Index, due on January 31, 2022

(non principal protected note securities)

Maximum Can\$20,000,000 (200,000 Note Securities)

No minimum amount of funds must be raised under this offering. This means that the Bank could complete this offering after raising only a small proportion of the offering amount set out above.

This Pricing Supplement supplements the short form base shelf prospectus dated July 4, 2016 relating to \$3,500,000,000 Medium Term Notes of the Bank, as amended or supplemented, and the Prospectus Supplement dated September 2, 2016. If the information in this Pricing Supplement differs from the information contained in the Prospectus and/or the Prospectus Supplement, you should rely on the information in this Pricing Supplement. Holders should carefully read this Pricing Supplement, the Prospectus Supplement and the accompanying Prospectus to fully understand the information relating to the terms of the Note Securities and other considerations that are important to Holders. All three documents contain information Holders should consider when making their investment decision. The information contained in this Pricing Supplement and the accompanying Prospectus and Prospectus Supplement is current only as of the date of each.

The initial estimated value of the Note Securities as of the date of this Pricing Supplement is \$95.75 per \$100 in Principal Amount, which is less than the issue price. The initial estimated value is equal to 95.75% of the Principal Amount, being equivalent to a \$0.85 annual discount over the term of the Note Securities. The actual value of the Note Securities at any time will reflect many factors, cannot be predicted with accuracy, and may be less than this amount. We describe our determination of the initial estimated value in more detail in the Prospectus Supplement. The Independent Agent did not participate in the preparation of the initial estimated value for the Note Securities. See "Description of the Note Securities – Initial Estimated Value" in the Prospectus Supplement.

The Note Securities differ from conventional debt and fixed income investments; repayment of the entire Principal Amount 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.

The Note Securities constitute direct, unsecured and unsubordinated debt obligations of the Bank ranking *pari passu* with all other present and future unsecured and unsubordinated indebtedness of the Bank. **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. None of the Bank, its affiliates, the Agents, or 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 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. See “Risk Factors” in the Prospectus Supplement and the Prospectus.

The Note Securities are not redeemable prior to maturity, except by the Bank pursuant to a Reimbursement Under Special Circumstances. See “Description of the Note Securities – Reimbursement Under Special Circumstances and Payment” in the Prospectus. The Note Securities will not be listed on any securities exchange or quotation system. National Bank Financial Inc. intends to maintain, under normal market conditions, a daily secondary market for the Note Securities. National Bank Financial Inc. may 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. Moreover, Holders selling their Note Securities prior to maturity may be subject to certain fees. See “Secondary Market for the Note Securities” in the Prospectus Supplement.

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 January 3, 2017, 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 4.30%, representing an aggregate yield of approximately 21.50% over the term of the Note Securities, assuming that the yield remains constant and the dividends and/or distributions are not reinvested.

National Bank Financial Inc. is an indirect wholly-owned subsidiary of the Bank. **As a result, the Bank is a “related issuer” and a “connected issuer” of National Bank Financial Inc. within the meaning of the securities legislation of certain provinces of Canada.** See “Plan of Distribution” in the Prospectus Supplement and in the Prospectus.

Issuer:	National Bank of Canada
Note Securities Offered:	NBC Marathon TM (Accelerator) Note Securities (No Barrier) linked to the S&P/TSX Composite Low Volatility Index, due on January 31, 2022
Principal Amount:	\$100
Minimum Subscription:	\$1,000 (10 Note Securities) and integral multiples of \$100 (1 Note Security) in excess thereof.
MarathonTM (Accelerator) type:	No Barrier
Issuance Date:	January 31, 2017, subject to postponement in certain circumstances as described in the Prospectus Supplement and the Prospectus.
Maturity Date:	January 31, 2022

Reference Portfolio:

Reference Asset name	Reference Asset ticker from Bloomberg	Price Source	Closing Level	Reference Asset type	Reference Asset Weight
S&P/TSX Composite Low Volatility Index	SPTXLVPR	S&P Dow Jones Indices LLC	Closing level	Index	100%

Moreover, the Note Securities constitute Index Linked Note Securities under the Prospectus.

Initial Level: Closing Level on the Issuance Date.

Currency: Canadian dollars

Maturity Redemption Payment: The Maturity Redemption Payment per Note Security will be as follows:

- (i) if the Reference Portfolio Return is positive on the Valuation Date, the Maturity Redemption Payment will be equal to $\$100 \times [1 + (\text{Acceleration Factor} \times \text{Reference Portfolio Return})]$; or
- (ii) if the Reference Portfolio Return is nil or negative on the Valuation Date, the Maturity Redemption Payment will be equal to $\$100 \times [1 + \text{Reference Portfolio Return}]$.

Notwithstanding the foregoing, the Maturity Redemption Payment will be subject to a minimum of 1% of the Principal Amount.

Acceleration Factor: 3.40

Valuation Date: January 26, 2022, subject to postponement in certain circumstances as described in the Prospectus Supplement and the Prospectus.

Selling commission: \$2.50 per Note Security (2.50% of the Principal Amount of each Note Security sold).

Agents: National Bank Financial Inc. and Richardson GMP Limited. Richardson GMP Limited will act as Independent Agent.

Independent Agent Fee: Up to \$0.15 per Note Security (up to 0.15% of the Principal Amount of each Note Security sold).

Early Trading Charge: \$3.60 per Note Security, declining every 30 days by \$0.30 to be \$0.00 after 360 days from and including the Issuance Date.

Eligibility for Investment: Eligible for RRSPs, RRIFFs, RESPs, RDSPs, DPSPs and TFSAs. See “Eligibility for Investment” in the Prospectus Supplement and in the Prospectus.

FundSERV: NBC2536

Timely Information on Note Securities: The Bank will seek to make available at www.nbcstructuredsolutions.ca certain information regarding the Note Securities. Such information is provided for information purposes only and will not be incorporated by reference into this Pricing Supplement.

REFERENCE ASSET

The following contains a brief description of the Reference Asset and tables illustrating the historical price performance and historical volatility of the Reference Asset.

See “Public Information – Index Linked Note Securities” in the Prospectus. All data and information below is sourced from Bloomberg and/or publicly available sources.

This information is derived solely from publicly available information and none of the Bank, the Agents or any of their respective affiliates makes any assurances, representations or warranties as to the accuracy, reliability or completeness of such information.

S&P/TSX Composite Low Volatility Index

The S&P/TSX Composite Low Volatility Index measures the performance of the least volatile stocks from the S&P/TSX Composite Index. The S&P/TSX Composite Low Volatility Index benchmarks low volatility or low variance strategies. Constituents are weighted relative to the inverse of their corresponding volatility, with the least volatile stocks receiving the highest weights. The objective of the S&P/TSX Composite Low Volatility Index is to achieve lower volatility than its benchmark, the S&P Composite Index.

Further information about the S&P/TSX Composite Low Volatility Index and its constituent issuers is available from S&P Dow Jones Indices LLC on its website at www.spindices.com and information from this website is not incorporated by reference into this Pricing Supplement.

Historical Reference Asset Data

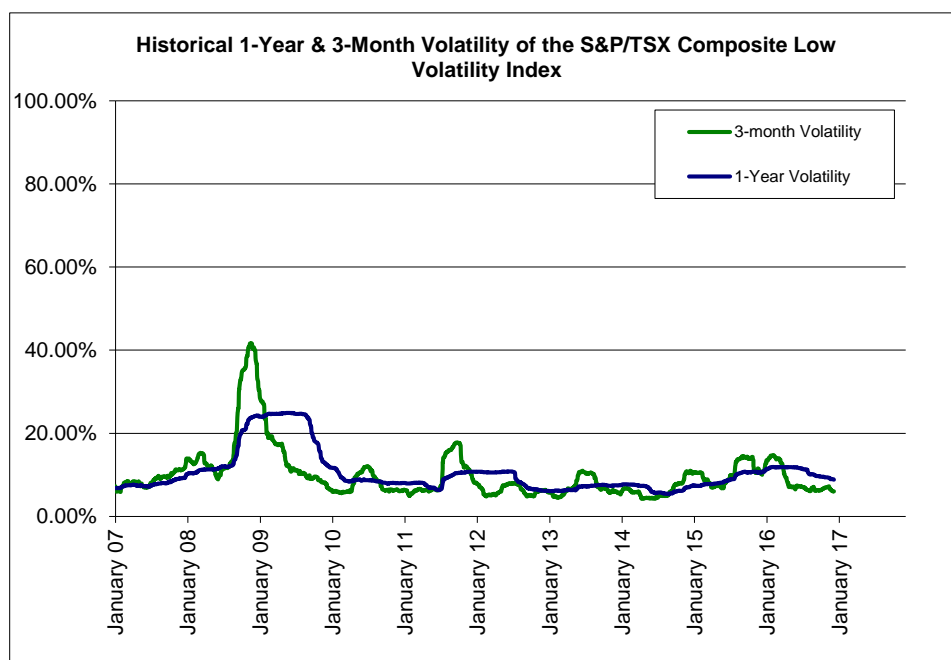
The following table shows the calendar year and year-to-date (“YTD”) price performance of the Reference Asset which is included in the Reference Portfolio. The YTD price performance is as of January 3, 2017. **Historical performance is not a guarantee of future performance.** Each year is measured starting from the month of December of the previous year indicated. For example: the year 2016 below refers to the year as measured from December 31, 2015 to December 31, 2016.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	YTD
S&P/TSX Composite Low Volatility Index	1.30%	-35.03%	12.56%	13.43%	8.41%	9.17%	7.59%	11.88%	-3.86%	11.08%	0.04%

The following table shows the price performance of the Reference Asset included in the Reference Portfolio from the period beginning on January 3, 2007 and ending on January 3, 2017. The performance for periods that are less than one year is cumulative and is not annualized, and the performance for periods of one year or more is annualized. **Historical performance is not a guarantee of future performance.**

	1 month	3 months	6 months	1 year	2 years	3 years	4 years	5 years	10 years
S&P/TSX Composite Low Volatility Index	2.16%	1.81%	2.87%	11.12%	3.06%	6.25%	6.53%	6.89%	2.49%

The following is a chart illustrating the historical 1-Year and 3-Month volatility of the Reference Asset from the period beginning on January 3, 2007 and ending on January 3, 2017. **Historical volatility is not a guarantee of future volatility.**



Volatility is the term used to describe the magnitude and frequency of the changes in a security’s value over a given time period. A higher volatility means that a security’s value can potentially be spread out over a larger range of values. This means that the price of the security can change dramatically over a short time period in either direction. A lower volatility means that a security’s value does not fluctuate dramatically, but changes in value at a steady pace over a period of time.

INVESTMENT STRATEGY SUPPORTING A PURCHASE OF THE NOTE SECURITIES

NBC Marathon™ (Accelerator) Note Securities (No Barrier)

You should consider a purchase of the Note Securities rather than alternative investments (including a direct purchase of the Reference Asset or exposure to it) if you expect that the Reference Portfolio Return will be positive on the Valuation Date. If your expectations of the Reference Portfolio Return differ from this, you should consider alternative investments rather than an investment in the Note Securities.

SUITABILITY OF THE NOTE SECURITIES FOR INVESTORS

NBC Marathon™ (Accelerator) Note Securities (No Barrier)

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

- (i) the Note Securities provide no protection for your original principal investment and if the Reference Portfolio Return is negative on the Valuation Date, you will receive an amount which is less than your original principal investment at maturity;
- (ii) your investment strategy should be consistent with the investment features of the Note Securities;
- (iii) your investment time horizon should correspond with the term of the Note Securities; and

- (iv) your investment will be subject to the risk factors summarized in the section “Risk Factors” in the Prospectus Supplement and the Prospectus.

USE OF THE REFERENCE ASSET

S&P® is a registered trademark of Standard & Poor’s Financial Services LLC (“S&P”), Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (“Dow Jones”), and TSX is a trademark of the TSX, Inc. This trademark has been licensed for use by S&P Dow Jones Indices LLC and sublicensed for certain purposes by the Bank. The S&P/TSX Composite Low Volatility Index is a product of S&P Dow Jones Indices LLC, its affiliates and/or its third party licensors and has been licensed for use by the Bank.

The Note Securities are not sponsored, endorsed, sold or promoted by S&P Dow Jones Indices LLC, Dow Jones, S&P, TSX, any of their respective affiliates (collectively, “S&P Dow Jones Indices”) or their third party licensors. Neither S&P Dow Jones Indices nor their third party licensors make any representation or warranty, express or implied, to the owners of the Note Securities or any member of the public regarding the advisability of investing in securities generally or in the Note Securities particularly or the ability of the Reference Asset to track general market performance. S&P Dow Jones Indices and their third party licensor’s only relationship to the Bank with respect to the Reference Asset is the licensing of the Reference Asset and certain trademarks, service marks and/or trade names of S&P Dow Jones Indices and/or its third party licensors. The Reference Asset is determined, composed and calculated by S&P Dow Jones Indices without regard to the Bank or the Note Securities. S&P Dow Jones Indices and their third party licensors have no obligation to take the needs of the Bank or the owners of the Note Securities into consideration in determining, composing or calculating the Reference Asset. Neither S&P Dow Jones Indices nor their third party licensors are responsible for and have not participated in the determination of the prices and amount of the Note Securities or the timing of the issuance or sale of the Note Securities or in the determination or calculation of the equation by which the Note Securities are to be converted into cash. S&P Dow Jones Indices and their third party licensors have no obligation or liability in connection with the administration, marketing or trading of the Note Securities. There is no assurance that investment products based on the Reference Asset will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC and its subsidiaries are not investment advisors. Inclusion of a security within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice.

NEITHER S&P DOW JONES INDICES NOR THEIR THIRD PARTY LICENSORS GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THE REFERENCE ASSET OR ANY DATA INCLUDED THEREIN OR ANY COMMUNICATION, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATION (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&P DOW JONES INDICES AND THEIR THIRD PARTY LICENSORS SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS OR DELAYS THEREIN. S&P DOW JONES INDICES AND THEIR THIRD PARTY LICENSOR MAKE NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO RESULTS TO BE OBTAINED BY THE BANK, OWNERS OF THE NOTE SECURITIES, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE REFERENCE ASSET OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P DOW JONES INDICES OR THIRD PARTY LICENSORS BE LIABLE FOR ANY INDIRECT, 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. THERE ARE NO THIRD PARTY BENEFICIARIES OR ANY AGREEMENTS OR ARRANGEMENTS BETWEEN S&P DOW JONES INDICES AND THE BANK, OTHER THAN THE LICENSORS OF S&P DOW JONES INDICES.

Prospective investors should independently investigate the Reference Asset and decide whether an investment in the Note Securities is appropriate.

DOCUMENTS INCORPORATED BY REFERENCE

In addition to this Pricing Supplement, the following documents are specifically incorporated by reference into, and form an integral part of, the Prospectus as of the date of this Pricing Supplement:

- (i) the Audited Consolidated Financial Statements for the year ended October 31, 2016, which include comparative consolidated financial statements of the Bank for the year ended October 31, 2015, together with the Management's Discussion and Analysis, as contained in the Bank's Annual Report for the year ended October 31, 2016;
- (ii) the Independent Auditor's Report, issued to the shareholders of the Bank on the consolidated financial statements as at October 31, 2016 and 2015 and for the years then ended;
- (iii) the Bank's Annual Information Form dated December 2, 2016.

MARKETING MATERIALS

Any template version of "marketing materials" (as defined in *National Instrument 41-101 – General Prospectus Requirements*) filed with the securities regulatory authorities in each of the provinces of Canada in connection with this offering after the date of filing hereof but prior to the termination of the distribution of the Note Securities under this Pricing Supplement (including any amendments to, or an amended version of, the marketing materials) is deemed to be incorporated by reference herein. Any such marketing materials are not part of this Pricing Supplement to the extent that the contents of the marketing materials have been modified or superseded by a statement contained in an amendment to this Pricing Supplement.

CERTAIN FEDERAL INCOME TAX CONSIDERATIONS

Recent amendments to the Act, which received Royal Assent on December 15, 2016, enacted the Budget Proposals (except as described below) effective as of January 1, 2017. Accordingly, all references to "October 1, 2016" in subsection "Certain Federal Income Tax Considerations" in the Prospectus Supplement should be read as "January 1, 2017" and the Budget Proposals discussed therein have (except as discussed below) been enacted. The Budget Proposals contained an exception from the deemed income inclusion arising on the sale of a linked note in respect of the portion of the return on a linked note that was based on changes in the value of the note derived from fixed interest rate payments in respect of the note. This exception was not included in the recent amendments to the Act and has not been enacted.