

Our social responsibility 2012

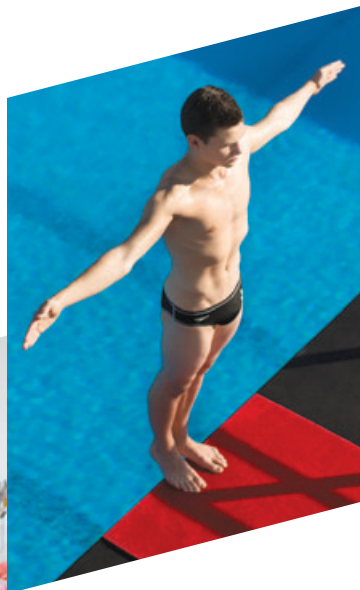


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MESSAGE FROM THE PRESIDENT

For over 150 years, National Bank has been a driving force for economic and social development and a key contributor to society.

Throughout its history, the Bank has prided itself on forging close relationships with the communities it serves as well as its clients, be they individuals or businesses. The role we have played in helping create and build up thousands of organizations, for instance, has earned us a reputation for being a partner of choice for businesses.

Today, the Bank stands as a true financial pillar, with a Canada-wide network that includes over 450 branches and 150 securities brokerage offices.

We are focused on the future and committed to giving our all to pursue our development and create even more value for communities.

The past year saw many examples of this. As part of our *One client, one bank* transformation, we continued to roll out the red carpet for our clients. Whether modernizing our infrastructures or further enhancing our advisory services, our nearly 20,000 employees have spared no effort to deliver an uncompromising experience to clients from coast to coast.

The Bank is extremely proud to have such dedicated, talented and loyal employees, and recognizes that they are an invaluable asset. We therefore strive to give them a stimulating work environment. Our efforts to do so are clearly proving successful as the Bank has once again been ranked among the country's top employers. We also stand out for our focus on diversity, especially with regard to the representation of women in senior management.

Our commitment to investing in the next generation — already evident within our own ranks — is now, more than ever, reflected in our donations and sponsorships program. With the launch of our "One for Youth" Program in 2012, we want to do our part to help young people, from birth to adulthood, reach their full

potential by supporting promising youth-oriented projects across Canada.

Because looking out for future generations also means preserving the environment, we have continued to focus on sustainable development.

We have taken concrete steps towards responsible sourcing, increasing our energy efficiency and managing our greenhouse gas emissions, to name just a few initiatives.

In 2012, the Bank also kept up its tradition of promoting entrepreneurship and grooming tomorrow's business leaders. As a key partner of education, we have committed to giving \$10 million to *Campus Montréal* (*HEC Montréal*, *Polytechnique Montréal* and *Université de Montréal*), the largest donation in our history. The funds will be used to establish a centre dedicated to entrepreneurship.

We also stepped up our efforts to help our business clients grow and thrive by guiding them every step of the way — from start-up to transfer.

Our mission has always been to contribute to the vibrant economic and social fabric of the communities we serve, and it will continue to guide us going forward. With its solid foundations, National Bank is well-positioned to meet future challenges and play an ever-increasing role in society.



A handwritten signature in dark ink, appearing to read 'Louis Vachon'.

Louis Vachon
President and Chief Executive Officer

ABOUT US

National Bank of Canada offers integrated financial services to consumers, small and medium-sized enterprises and large corporations. It operates three key lines of business — Personal and Commercial Banking, Wealth Management and Financial Markets — with total assets of \$178 billion as at October 31, 2012.

Through its nearly 20,000 employees, National Bank offers a complete range of services, including banking and investment solutions for individual and corporate clients, securities brokerage, insurance and wealth management.

National Bank is the leading bank in Quebec and the partner of choice for small and medium-sized enterprises. It is also the sixth largest bank in Canada with branches in almost every province. Clients in the United States, Europe and other parts of the world are served through a network of representative offices, subsidiaries and partnerships. Its head office is located in Montreal and its securities are listed on the Toronto Stock Exchange.

ACTING RESPONSIBLY

One of National Bank's prime concerns is to effectively meet the expectations of its stakeholders and build lasting relationships with them.

Our corporate social responsibility strategy rests on six pillars: our clients, our employees, the community, the environment, governance and our contribution to the economy. This Social Responsibility Report summarizes our achievements in line with these six pillars. The information we provide is based on the reporting guidelines proposed by the Global Reporting Initiative, an organization dedicated to developing internationally accepted indicators for sustainability reporting.

www.nbc.ca > About us > Social Responsibility > Social Responsibility Report

RANKING AMONG THE BEST

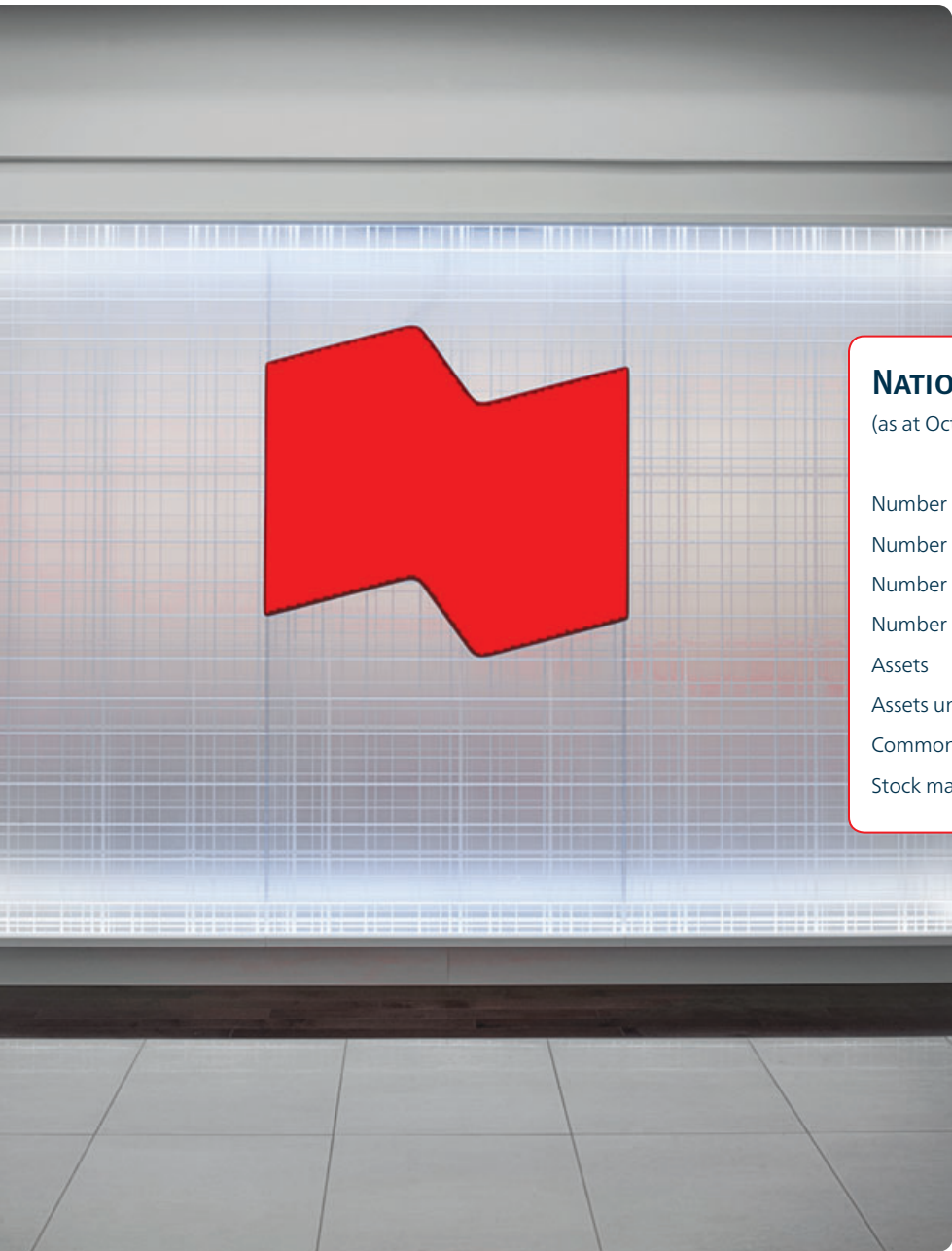
National Bank distinguished itself in 2012, placing among the top companies in a number of prestigious lists.

For example, National Bank was once again designated by the internationally renowned magazine *Bloomberg Markets* as one of the World's Strongest Banks, placing fifth in the world and third in North America.

For an eighth year, National Bank made the list of the 50 Best Employers in Canada compiled by Aon Hewitt. It was also named by Waterstone Human Capital among the Enterprise category winners in its 10 Most Admired Corporate Cultures Program™.

Lastly, the Bank has been ranked among Canada's Top 25 Most Valuable Brands by Interbrand in its 2012 report.

www.nbc.ca > About us > Our organization > Portrait of the Bank > Awards, Distinctions and Honours



NATIONAL BANK AT A GLANCE

(as at October 31, 2012)

| | |
|--|----------------|
| Number of employees | 19,920 |
| Number of branches | 451 |
| Number of banking machines | 923 |
| Number of individual clients | 2.4 million |
| Assets | \$178 billion |
| Assets under management and administration | \$233 billion |
| Common share price at closing (TSX: NA) | \$77.18 |
| Stock market capitalization | \$12.4 billion |

SERVING OUR CLIENTS BETTER

At National Bank, our clients are at the heart of our activities. To better meet their needs, we strive to continuously improve our work methods, services, network and infrastructure.

We are deeply committed to fostering close relationships with our clients and assisting them at every stage of their life with their various projects, both business-related and personal. That's why our employees across the country are dedicated to providing uncompromising service to all clients regardless of their point of entry to the Bank.

OUR PLEDGE: TO ROLL OUT THE RED CARPET FOR ALL OUR CLIENTS

In 2012, the Bank continued to implement initiatives aimed at delivering on its Client Value Proposition — the second phase in its *One client, one bank* transformation. This value proposition reflects our belief that an uncompromising client experience hinges on a dedicated workforce, an integrated product offering and enhanced accessibility.

Going forward, we intend to keep making tangible improvements in all our sectors of activity. We plan to be more proactive in serving our clients and to further enhance the performance of all our service distribution channels, from the branch network to Internet and mobile banking.

CONSOLIDATING OUR PRESENCE COAST TO COAST

In 2012, National Bank focused on integrating its most recent acquisitions, namely, the full-service wealth management firm Wellington West and the full-service investment advisory business of HSBC Securities (Canada) Inc.

With these acquisitions, the Bank is now stronger than ever from coast to coast and is able to meet the needs of even more clients with its team of nearly 1,000 investment advisors Canada-wide.

IMPROVING OUR FINANCIAL SOLUTIONS OFFER

This past year, we further consolidated our financial solutions offer and aligned our services with clients' specific requirements. This personalized approach enables us to consider all of the needs of our individual and business clients, from day-to-day transactions to investing and credit, and to suggest unique combinations of solutions geared to meet them.

OFFERING COMPREHENSIVE, PERSONALIZED ADVICE

We want to build close relationships with our diverse clients and help them make the best possible financial decisions. In 2012, we continued to develop tools and services to that end.

Services and advice for immigrants

To assist new immigrants to Canada with their financial transition, we have created a service offer tailored to their needs. We also administer the federal and Quebec Immigrant Investor Programs, which allow us to help foreign investors and their families get established. The National Bank and National Bank Financial websites provide detailed information on these services and helpful advice geared specifically to immigrant clients.

www.nbc.ca > Personal > Programs > Newcomers
www.nbf-gocanada.com

BUILDING A MODERN AND USER-FRIENDLY NETWORK

In fiscal 2012, we continued optimizing our physical network with investments of more than \$25 million. We opened six new branches in Quebec and Ontario, and completed over 25 other projects across Canada.

- Our flagship branches in downtown Montreal and Toronto have been completely remodelled and now feature a sleek, modern design that is inviting and geared to accompanying clients.
- All branch improvement projects were carried out with a view to reducing the environmental footprint of our operations, by implementing several measures to increase energy efficiency for instance.
- We offer extended business hours at more than 150 branches so that clients can do their banking on Saturdays.

Our flagship branches at 600 De La Gauchetière West in Montreal and 121 King Street West in Toronto now feature a sleek, modern design that provides a welcoming environment for an optimal client experience.



- We continued to improve accessibility to our services for people with disabilities by adopting various measures, such as processes aiming to foster dialogue on this topic with our clients. We also provided our employees with the opportunity to complete a course on this subject.

The National Bank network now has 451 branches and 923 banking machines. We also provide free access to some 2,400 ABMs across Canada through THE EXCHANGE® network.

® THE EXCHANGE is a registered trademark of Fiserv Inc.



More tools for independent investors

The Analysis section of the National Bank Direct Brokerage transaction site has been completely revamped and upgraded to include an even broader range of independent analyst-driven research on Canadian, U.S. and international equities and exchange-traded funds.

Morningstar reports are now available alongside National Bank Financial's in-house research to give investors ready access to all the financial information they may need.

In addition to offering these insightful online resources, National Bank Direct Brokerage held hundreds of educational seminars in 2012 for independent investors across the country.

www.nbdb.ca

Active support for retirement planning

In 2012, National Bank continued to offer an outstanding range of retirement planning resources to its clients. A variety of online publications and interactive tools are available to help clients assess and plan their financial needs.

www.nbc.ca > Personal > Planning your retirement

INCREASING OUR PRESENCE IN SOCIAL MEDIA

National Bank prides itself on the close relationships it has cultivated with its clients and the communities it serves. Our growing presence on social networking sites such as Twitter, Facebook, YouTube and LinkedIn means even more opportunities for direct dialogue.

- We launched a new website at commitment.nationalbank.ca to highlight our many community involvement initiatives.
- The Bank's financial education tools, such as the articles on Clearfacts.ca, are now also shared on Twitter and Facebook.
- A growing number of Bank job openings are being posted on LinkedIn.
- Our decisionmakers.ca business solutions site offers a wealth of information, tips and advice for decision-makers.

MAINTAINING CLOSE TIES WITH OUR BUSINESS CLIENTS

National Bank is well-known for the strong ties it has fostered over the years with its business clients. No matter which industry companies operate in, our highly qualified professionals can guide them through every stage of their development.

The products and services proposed by our experts focus on five main areas: operating efficiency, financing, risk management, investments and the sustainability of the business. National Bank specialists always strive to find the most suitable solutions for each client.

We also work to develop integrated, diverse and innovative business solutions that can be used throughout the business life cycle. Our personalized approach takes into account the company's objectives and projects, and helps optimize both current and future performance.

The Bank is always looking for new ways to better meet its clients' needs and expectations. For example, to help entrepreneurs meet the challenges of hiring and retaining employees, the Bank launched a new human resources offer in 2012. It includes several components such as HR assistance solutions, payroll services and banking privileges for employees.

OFFERING TAILORED SUPPORT

In the past fiscal year, the Bank continued to tailor its financial solutions to its clients' specific fields of activity. Our experts can offer specialized support to businesses in such sectors as agriculture, health, television and film, to name but a few.

National Bank also serves a number of not-for-profit organizations, offering them preferred rates on financial solutions and a variety of support services, including assistance with planned giving development.

SUPPORTING ENTREPRENEURSHIP

Through its actions, National Bank demonstrates its firm commitment to promoting entrepreneurial spirit and business knowledge transfer, two important drivers of social and economic development. Below are recent examples of this support.

- **Donation of \$10 million to Campus Montréal – HEC Montréal, Polytechnique Montréal and Université de Montréal** (Montreal, Quebec; 2013-2024) to establish a centre dedicated to entrepreneurship.
- **Donation of \$330,000 to Ryerson University's Ted Rogers School of Management** (Toronto, Ontario; 2011-2015) for the creation of the National Bank Bloomberg Lab, which provides an innovative learning environment for students in finance.
- **Continued partnership with Jeunes Entreprises du Québec and Junior Achievement** to help introduce high school students to the world of business and entrepreneurship. For the 10th consecutive year, many Bank employees volunteered to act as mentors.
- **Participation in the launch of SME Passport**, an export support program that will benefit some 20 Quebec businesses each year. Launched by the Board of Trade of Metropolitan Montreal and *Québec International*, this project is intended to provide greater visibility, training, networking opportunities and logistical support to the selected businesses.
- **Continued partnership with the École d'Entrepreneurship de Beauce, the Fondation de l'entrepreneurship, the Groupement des chefs d'entreprise du Québec and the Conseil économique du Nouveau-Brunswick**, among other organizations actively involved in promoting and developing entrepreneurial culture.
- **Sponsorship of many events that shine the spotlight on entrepreneurship** and succession planning, such as the "Open House on Quebec Farms," organized by the *Union des producteurs agricoles*, and the conference on business transfers and succession planning at *HEC Montréal*.



Students at Ryerson University's Ted Rogers School of Management try out the terminals at the National Bank Bloomberg Lab.

INVESTING IN TECHNOLOGY

In 2012, National Bank continued with one of the largest technological overhauls ever undertaken in the Canadian banking industry. All Bank sectors pooled their efforts to review their systems and processes with the goal of simplifying them and bringing them more in line with clients' needs, from account openings to mortgage applications.

We also further upgraded our systems and solutions so that clients can have access to even better services. In 2012, we made the following improvements to our mobile and online banking solutions:

Mobile banking solutions

- Launch of the National Bank Financial and Private Wealth 1859 mobile transaction sites
- Locator and reminder functions added to the National Bank iPhone/iPod touch® app

Internet Banking Solutions

- Function added to enable account holders to view images of both sides of cheques drawn on their accounts
- Function added to enable clients to order foreign currency to be delivered to a Canada Post office or Bank branch

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CHARTING OUR PROGRESS

For a number of years now, we have used various means to measure our clients' satisfaction with our products and services and gain a better understanding of their expectations.

To this end, a specialized external firm surveyed more than 60,000 of the Bank's individual and business clients in 2012. We plan to increase the number of clients polled in 2013 to obtain more specific, frequent insight into what clients want so that we can better meet their needs. The results of such surveys are analyzed and integrated into our business plans, in keeping with the continuous improvement approach adopted by the entire organization.

Over the past year, National Bank further improved its overall customer satisfaction rating, according to J.D. Power and Associates' 2012 Canadian Retail Banking Customer Satisfaction Study.

SETTLING COMPLAINTS

National Bank has developed a simple and effective complaint settlement process that focuses on seeking solutions, which is explained in detail on its website. Under this process, the Client Ombudsman, who is easily accessible and wields considerable influence, reviews complaints that were not resolved to the satisfaction of Bank clients.

Supported by specialists from all areas, the Ombudsman makes sure that complaints are handled fairly using an independent and impartial approach, and recommends any changes deemed necessary to better meet the needs of clients and the general public.

The Ombudsman also contributes to improving the client experience by sharing expertise with all Bank sectors and promoting approaches and procedures geared to preventing and settling complaints.

www.nbc.ca > About us > Our organization > Complaint settlement

Clearfacts.ca

SPOTLIGHT ON FINANCIAL LITERACY

In 2012, National Bank continued to add financial literacy tools for people of all ages to its interactive online platform Clearfacts.ca.

Our Clearfacts.ca website is, in fact, a hub of information, tools and advice intended to help the general public improve its knowledge and understanding of money matters.

The site's many videos, webinars, special reports and information capsules shed light on a wide range of topics, life stages and major decisions. What do you need to know before buying a hybrid car? What are the financial

implications of being a common-law spouse versus married? Is it better to buy a home or rent?

With over one million visits since 2010, the website remains very popular with the public.

In addition to being available on Clearfacts.ca, hundreds of these articles, blogs, videos and tools have been posted and shared on Twitter and Facebook over the past year.

For more information: www.clearfacts.ca

Clearfacts.ca



RECOGNIZING THE ENGAGEMENT OF OUR EMPLOYEES

National Bank, one of the largest employers in Canada, owes much of its success to its employees. They are always at the heart of the action, and we consider them to be one of our organization's strongest assets.

Being attentive to employees' needs and providing a stimulating environment in which they can achieve their full potential is therefore important. We believe that this is the best way to build a dedicated, skilled and stable team.

BEING ATTENTIVE TO EMPLOYEES' NEEDS

National Bank is committed to helping employees strike a healthy balance between their personal and professional lives. Moreover, the Bank is sensitive to their changing needs depending on their stage of life.

For example, employees looking to re-arrange their work schedule can submit a proposal to their manager. Employee and manager then work together to find measures that meet both the employee's personal needs and the organization's operational needs. This approach fosters two of the Bank's core values — team spirit and collaboration.

We also encourage employees to take charge of their health through the numerous initiatives put forward every year by the My Health: My Wealth! Program. Launched seven years ago, this program is greatly appreciated by employees.

We also strive to support employees and their loved ones who are going through difficult times in their personal lives. Through our Employee Assistance Program, individuals struggling with important decisions or a major crisis can receive assistance in complete confidentiality. This service is complemented by services for managers, to help them deal with emotionally difficult and delicate situations associated with their management role.



National Bank employees rally for causes that matter to them. About 120 employees turned out for the National Bank Bike Tour to benefit *Tel-jeunes* last July.

Lastly, in 1980, National Bank was the first company in Quebec to make a workplace daycare available to its employees. In operation for more than 30 years now, our *Voûte enchantée* daycare continues to offer excellent educational programs to its 175 youngsters, thanks to the support of more than 50 employees.

ONE OF CANADA'S TOP EMPLOYERS

National Bank has received numerous awards over the years for the advantages it offers as an employer. In 2012, we were recognized in several prestigious rankings, including the following:

- The **50** Best Employers in Canada (Aon Hewitt)
- Canada's **10** Most Admired Corporate Cultures™, Enterprise category (Waterstone Human Capital)
- The Best Employers in the Greater Toronto Area (Aon Hewitt)
- Montreal's Top Employers (Mediacorp Canada Inc.)



OFFERING COMPETITIVE TOTAL COMPENSATION

Our total compensation policy supports strategies to attract, retain and engage employees. Compensation must therefore be both competitive and fair.

Our total compensation package consists of the following three components:

- Base salary
- Variable compensation programs tied to the organization's results and employees' performance
- Employee benefits and working conditions, including:
 - Flexible group insurance plan
 - Pension plan
 - Employee share ownership plan

EMBRACING DIVERSITY

National Bank sees diversity as a great source of richness and is committed to promoting it within all business units. In addition to the four designated groups identified in the federal *Employment Equity Act* (women, persons with disabilities, visible minorities and aboriginal people), we welcome and value the talents that people of diverse ages, cultures and sexual orientations have to offer.

To achieve its diversity-related objectives, which are tracked in its three-year plans, the Bank promotes the adoption of inclusive human resources practices and networking initiatives. It also works with various organizations to better integrate minorities into the job market.

This year, the Bank also continued to define its guiding principles on the language of work in Quebec and communicated them to employees in its various business units. We will remain vigilant in this area and make adjustments to our approach as needed.

Representation (as at October 31, 2012)

| | Women in senior management | Persons with disabilities | Visible minorities |
|-------------|----------------------------|---------------------------|--------------------|
| 2012 | 44.1% | 2.3% | 16.4% |
| 2002 | 23.6% | 1.9% | 6.5% |

Languages spoken (as at October 31, 2012)

| | |
|----------------------------|--|
| 41 | French, English, Spanish, Arabic, Italian |
| Number of languages spoken | Most frequently spoken |

National Bank is a leader among the six major Canadian banks in terms of the representation of women at senior management levels.

NEW INTERNAL NETWORKS

In 2012, we created two internal networks to promote employee development and leadership.

- The Women's Leadership Network is intended to support women working at National Bank who are looking to advance their management careers within the organization.
- The IDEO (Inclusion and Destigmatization for Equality regardless of Orientation) network is intended to provide resources for members of the gay, lesbian, bisexual and transgender communities.

SPECIAL PROGRAMS TO FOSTER NEW TALENT

Students with functional limitations

Expanding horizons

Every year for over 20 years, National Bank has helped people with functional limitations pursue their post-secondary education by offering them financial support and relevant work experience.

In 2012, our Bursary and Summer Employment Program for students with functional limitations awarded a \$5,000 bursary and a paid 12-week summer job to two university students, and a \$2,500 bursary and a 10-week paid summer job to one college-level student.

This year's recipients were Vasilios Pylarinos, a Master's student in Law (DESS Common Law) at *Université de Montréal*; Carl Labrosse-Legris, a Bachelor of Accounting student at *Université du Québec en Outaouais*; and Lisa Alinauskas, who is studying Commerce at Marianopolis College.

Women in Finance Scholarship program

In 2012, National Bank continued its Women in Finance scholarship program, a unique initiative in the Canadian banking industry intended to encourage women to pursue graduate studies in a finance-related field.

The recipients of the third edition's scholarships are Karina Kanouni Simone, who is enrolled as a Master of Science student in Administration at Concordia University; Nondini Chakrabarti, an MBA student at Western University; and Sandy Lam, who is in the Master of Finance program at University of Toronto.

In addition to receiving scholarships totalling \$25,000, the three winners were paired with an experienced female manager from the Financial Markets sector in order to benefit from sound advice throughout their studies.



The Bank supports a wide range of initiatives that promote the development of business skills.

New graduates

Financial Markets Rotation Program

As part of the 2012 edition of the Financial Markets sector's ongoing rotation program, 11 recently graduated new recruits were able to deepen their knowledge of financial markets and the banking industry by completing a 12-month rotation in our trading rooms in Montreal, Toronto and Calgary. These employees were then offered a permanent assignment aligned with their interests and strengths.

CONTRIBUTING TO PROFESSIONAL DEVELOPMENT

National Bank has long been dedicated to creating an environment that is conducive to helping employees develop their skills and achieve their full potential.

In 2012, we invested more than \$25 million in employee skills development. Some 128,000 courses were completed in all, representing approximately 46,000 training days. In addition, we reviewed our training offer for managers to promote their efficient onboarding.

The Bank also places considerable emphasis on performance and career management. Every year, as part of the annual performance management cycle, employees, together with their managers, reflect on their professional objectives and career path. Expected results and objectives are regularly discussed at one-on-one meetings between managers and employees. In addition to helping employees benefit from guidance in their professional development, these activities reinforce the Bank's succession planning efforts and support sound workforce risk management.

To this same end, the Bank recently launched a pilot project aimed at employees approaching retirement. This initiative will promote knowledge transfer and facilitate planning for retirements throughout the organization.

Throughout 2012, we continued to focus on leadership as a development and organizational performance driver. We invested substantial efforts in consolidating our managers' leadership skills, particularly by updating our leadership profile and the onboarding process developed by the Leaders' Institute, an internal training centre dedicated to managers. We also rely on feedback exercises to identify action priorities needed to further advance management practices at the Bank.

MAINTAINING A DIALOGUE WITH OUR EMPLOYEES

Keeping employees well informed about developments underway in the organization, the issues we face and our objectives has always been a priority for senior management.

Every year, numerous meetings take place between members of the Office of the President and hundreds of employees from various line levels and all regions where the Bank is present.

In 2012, President and Chief Executive Officer Louis Vachon took part in many such events — executive luncheons, branch visits, lunch meetings, etc. — to talk directly with employees and get their take on a variety of subjects that affect the organization. Mr. Vachon also holds quarterly conference calls during which he presents the Bank's results and strategic orientations.

We also periodically assess employees' level of engagement through internal surveys conducted objectively and confidentially. These allow us to identify employees' concerns and implement concrete solutions to address them.

The survey conducted in the spring of 2012 showed that employees are more engaged than ever, and have an overall positive view of the Bank. Nearly 80% of employees took part in the survey, which generated thousands of comments. These results are a strong vote of confidence to keep going forward with our *One client, one bank* transformation. Internal surveys also allow us to continuously improve on our practices. Similarly, surveys conducted by external firms for various rankings are excellent benchmarking tools.

SETTLING DISPUTES WITH RESPECT

National Bank has established an Employee Ombudsman's Office to help solve any problems employees may experience in their job. The Employee Ombudsman's Office (EOO) is made up of four professionals who abide by a rigorous code of ethics. Their role is to encourage dialogue between parties involved in a disagreement and serve as advisors and mediators. The EOO reports directly to the President and Chief Executive Officer. In the interest of preserving confidentiality and neutrality, the EOO is located off site.

ENCOURAGING COMMUNITY DEVELOPMENT

As a leading player in the country's economy, National Bank is committed to promoting the well-being of the communities it serves.

The Bank achieves its objectives in the community through a well-defined donations and sponsorships program, successful fundraising efforts, and teams of current and retired employee volunteers who are determined to make a difference.

HELPING THROUGH GIVING

Every year, the Bank supports hundreds of Canadian organizations through donations and sponsorships. The recipient organizations are selected in accordance with strict guidelines to ensure that each request is given due consideration, with a view to being as equitable as possible and maximizing social well-being.

www.nbc.ca > About us > Social Responsibility > Request for Financial Support

In 2012, the Bank donated a total of \$9.7 million to organizations in the various sectors it prioritizes.

The Bank also helps communities by awarding several million dollars in sponsorships to all kinds of athletic, artistic and cultural events. Amounts vary depending on the needs and scale of the event.

The Bank is always attentive to its employees, its clients and the communities it serves, pinpointing what they expect of their financial institution in terms of donations and sponsorships. The information gathered enables us to do even more to meet the needs of the community.

ADDRESSING URGENT NEEDS

Not only do we provide financial support through our donations and sponsorships program, but we also raise funds in our branches to address urgent humanitarian needs.

In 2012, our Ontario branches collected donations to assist victims of the flooding in Thunder Bay. Along with the previous year's campaigns to help flood victims in Quebec, Manitoba and Western Canada, this fundraiser represents a great example of the solidarity and compassion that drive National Bank employees and clients.

FOCUSING ON YOUTH DEVELOPMENT

In 2012, National Bank launched the “One for Youth” Program in order to better channel its support toward youth-oriented initiatives. We want to help young people, from birth through university, reach their full potential by partnering with organizations dedicated to promoting the health, education and engagement of young people.



In addition to the youth program, we continue to support various key projects to promote entrepreneurship, the environment, diversity and culture.

For more information: www.youth.nationalbank.ca



The Bank is dedicated to encouraging young people to get involved in their communities.

ENCOURAGING VOLUNTEERISM

Our employees play a pivotal role in their communities across Canada. They dedicate many hours to organizing events, including golf tournaments, benefit dinners and charity auctions, with profits donated to local organizations.

Current and retired National Bank employees are also strongly committed to supporting the United Way/Centraide fundraising campaigns. During the 35th annual campaign in 2012, more than \$3.4 million was collected across Canada, including a corporate donation from National Bank.

Louis Vachon, President and Chief Executive Officer, was Co-Chair of this year's campaign for Centraide of Greater Montreal. A new fundraising event launched this year was the Centraide Cup, a soccer tournament where 25 teams representing various Montreal businesses faced off against each other. The Bank was the only financial institution to reach the semi-finals and finished first in its division.

SOME OF OUR DONATIONS

Our commitment to **health**

- **Fondation du Centre hospitalier universitaire de Québec** (Quebec City, Quebec; 2012-2013). Contribute to the acquisition of a state-of-the-art surgical robot, the only one of its kind in Eastern Quebec, which plays a key role in treating cancer patients.

\$150,000

- **Fondation OLO** (Quebec; 2012-2014). Support the distribution of essential food items to help pregnant women in need give birth to healthy babies.

\$45,000

- **Oakville Hospital Foundation** (Oakville, Ontario; 2012-2013). Contribute to providing high-quality healthcare to people in the Oakville area.

\$100,000

- **Centre for Addiction and Mental Health Foundation** (Toronto, Ontario; 2012-2014). Support the child and youth intervention team.

\$25,000

Our commitment to **education**

- **Pathways to Education** (across Canada; 2012-2015). Help young people in a dozen low-income communities graduate from high school and successfully transition into post-secondary education.

\$100,000

- **Allô prof** (Quebec; 2011-2013). Help thousands of children properly do their homework via a free homework assistance phone line and website.

\$150,000

For information about other major donations, see the Supporting entrepreneurship section on page 7.



The Bank supports a wide range of programs and organizations that give young people from all backgrounds the chance to discover the wonderful world of music.

Our commitment to **community outreach**

- **Refuge des Jeunes de Montréal** (Montreal, Quebec; 2012-2014). Help improve living conditions for struggling and homeless young men.

\$125,000

- **Fondation Le Grand Chemin** (Quebec; 2011-2013). Offer young people free treatment for alcohol and drug dependency and compulsive gambling.

\$30,000

Our commitment to **arts and culture**

- **Fondation du Musée national des beaux-arts du Québec** (Quebec City, Quebec; 2012-2016). Contribute to the museum expansion project, leading to the opening of the Pierre-Lassonde pavilion and to specific cultural projects.

\$500,000

- **Beaverbrook Art Gallery** (Fredericton, New Brunswick; 2012-2016). Help make art more accessible by funding the expansion of the Gallery and supporting a series of special activities.

\$50,000

SOME OF OUR SPONSORSHIPS

Our commitment to **arts** and **culture**

- **"War Horse"** (Toronto, Ontario). Serve as the main sponsor of this world-class theatre production.
- **L'Étoile Banque Nationale** (Brossard, Quebec). Contribute to the economic and cultural well-being of Montreal's South Shore by partnering with the concert venue at the *Quartier Dix30* shopping and entertainment complex.
- **East Coast Music Week** (Moncton, New Brunswick). Support East Coast artists as the title sponsor of the concert entitled "National Bank A Sound Celebration".
- **Orchestre Symphonique de Montréal** (Montreal, Quebec). Help Montrealers discover the rich world of music by supporting over 60 OSM concerts.

Our commitment to **sports**

- **Montreal Canadiens** (Montreal, Quebec). Serve as a major partner of the Bell Sports Complex, the Canadiens' training site, as well as the Bell Centre.
- **Quebec Foundation for Athletic Excellence** (Quebec). Support athletic talent by awarding bursaries to some 25 promising student athletes. Four of those bursary recipients earned medals at the 2012 London Games.

Through its donations and sponsorships program, National Bank gave substantial amounts to hundreds of organizations across Canada in 2012.

For more information on our donations, sponsorships and fundraisers in 2012, visit www.commitment.nationalbank.ca.

Tennis, from beginners to pros

The **National Bank Young Aces program** gives six-to eight-year-olds a chance to take up tennis and sharpen their skills. National Bank also supports several development tournaments such as the **Bell Challenge in Quebec City**, the **Granby National Bank Challenger**, the **Repentigny National Bank International Junior Tennis Open**, the **National Bank Circuit** including, since 2011, the **National Bank Mayfair Futures** tournament in Toronto. National Bank is also a partner of the prestigious **Rogers Cup** tournaments in Montreal and Toronto, where the top-ranking players from around the world square off, to the delight of tennis fans of all ages.

In 2012, Aleksandra Wozniak, a world-class Canadian tennis player, became the ambassador of National Bank's **On the Ball** tennis ball recovery program.

The tennis balls collected are donated to schools in Quebec and Ontario (since 2012), where they are used as chair slippers to reduce classroom noise and create an environment conducive to concentration. More than 620,000 used tennis balls have been repurposed in this way since the program's launch.



Tennis balls can be used as chair slippers to reduce classroom noise and create an environment conducive to concentration.

A FEW EXAMPLES OF FUNDRAISING INITIATIVES

- **National Bank Bicycle Tour** for *Fondation Tel-jeunes* (Quebec). Offer psychological assistance by telephone to young people experiencing problems and their parents. More than 120 employees raised funds by participating in this 300 km bike ride.
\$85,000
- **National Bank Challenge – Hiking the Chic-Chocs** (Lower St. Lawrence/Gaspé/Îles-de-la-Madeleine region, Quebec). Support the Ernest-Simard Foundation in its work with underprivileged children. About 100 employees raised funds by participating in mountain treks.
\$30,000
- **Club des petits déjeuners du Québec and Breakfast Clubs of Canada** (Canada). Help hundreds of thousands of children start their school day well-nourished and mentally alert through the sale of exclusive items in National Bank branches. We raised close to \$500,000 from the sale of cookies paired with a corporate donation.
Since 2005, we have donated over \$3.3 million to this cause.
- **National Bank Easter Seals Waves Regatta** (Vancouver, British Columbia). Help families cope with illness by providing parents of children being treated at the Vancouver Children's Hospital with an affordable and caring place to stay. About 80 employees raised funds by participating in a sailing regatta.
\$65,000



Thanks to the funds raised for the *Club des petits déjeuners du Québec* and the Breakfast Clubs of Canada, hundreds of thousands of children are able to start off their school day on a full stomach.

OUR HEARTS ARE WITH OUR EMPLOYEES

National Bank is proud to have active employees and retirees who are deeply committed and determined to help others. We believe it is essential to support them in their efforts through a variety of measures.

Eight years ago, National Bank created “Our hearts are with you,” a program designed to salute the volunteer efforts of its current and retired employees. The Bank shows its support by making a financial contribution on behalf of eligible employees to the organizations in which they are active. Moreover, every year, employees who have exhibited outstanding volunteerism are awarded special distinctions, including the André-Bérard Award, the highest honour granted under the program.

In 2012, the André-Bérard Award went to Gianni Crivello, Senior Advisor – Network Growth, at National Bank Financial in Montreal. Mr. Crivello is actively involved in the Cure Scleroderma Foundation, which he cofounded to support scleroderma research.

SUPPORTING DIVERSITY

National Bank continued to support the lesbian, gay, bisexual and transgender community in 2012.

- For the sixth consecutive year, we hosted the Fight Against Homophobia Award ceremony, organized by *Fondation Émergence*. The 2012 award was given to Quebec director and producer Fabienne Larouche.
- We also once again supported *Aires Libres*, a project to transform a section of a major thoroughfare in Montreal’s Gay Village into a festive pedestrian walkway with a variety of activities, fairs and exhibits every summer.

National Bank Collection

OVER 7,000 WORKS OF ART TO DISCOVER

Over the years, National Bank has built up an impressive collection of art, which it proudly displays in its offices, branches and subsidiaries across Canada. With over 7,000 original works of art, the National Bank Collection currently ranks as one of the largest corporate collections in Canada.

This distinctive collection reflects the history of Quebec and Canadian art from 1895 to the present and includes paintings, prints, drawings, sculptures and photographs. Every year, the collection is further expanded with the addition of some 50 new pieces.

By acquiring artwork, we directly support artists and creators across Canada and foster a feeling of pride in our collective heritage, while shining the spotlight on Canadian talent and enriching the surroundings for thousands of employees and clients. In 2012, the Bank unveiled a new art gallery at its flagship branch in Montreal. This gallery will host exhibitions on various themes, featuring works from the National Bank Collection. The Bank has also loaned out several of its works of art, including the sculpture *Cette jeune femme ne sait pas s’habiller* by Valérie Blass, which has been loaned to the *Musée d’art contemporain de Montréal*.



The sculpture *Vague*, by Montreal artist Patrick Coutu, was acquired by the National Bank Collection following a call for submissions. Made of 2,705 bronze pieces, the sculpture is inspired by the Golden Number, a ratio that is widely found in both natural and human designs, and can be used to analyze stock market fluctuations.

HELPING PROTECT THE ENVIRONMENT

National Bank is concerned by society's impact on the environment, particularly the effects of climate change. That's why we are actively involved in implementing various initiatives to reduce our environmental footprint.

In fact, the Bank stands out for the major partnerships it has developed over the years with various organizations and businesses that share its goal of contributing to sustainable social development.

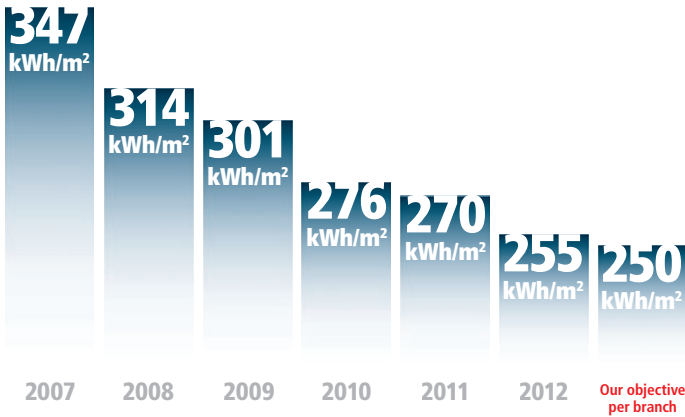
IMPROVING OUR ENERGY EFFICIENCY

The Bank is a recognized leader in energy efficiency. This past year, we continued to roll out our energy efficiency program, aimed at reducing our energy consumption throughout the branch network by up to 30% per year.

This objective is attainable thanks in part to the actions taken by the Bank to centrally manage branch energy use via a web interface, optimize the operation sequences of ventilation systems, and convert certain types of lighting.

Since launching the energy efficiency program, we have invested \$6 million in improving the energy efficiency of 255 buildings, including the 35 branches integrated this past year. This has allowed us to save millions of kWh of electricity, thousands of cubic metres of natural gas and thousands of litres of fuel oil.

Energy intensity
Total consumption per m² – branch network





Our renovated premises provide a growing number of employees with a comfortable, eco-friendly working environment.

OBTAINING CARBON NEUTRAL CERTIFICATION

In 2011, National Bank achieved net zero carbon emissions for the first time thanks to an innovative agreement with the Sobeys supermarket chains. As part of this agreement, National Bank has undertaken to purchase 15,000 certified carbon credits annually until 2015, which will enable it to fully offset its greenhouse gas emissions.



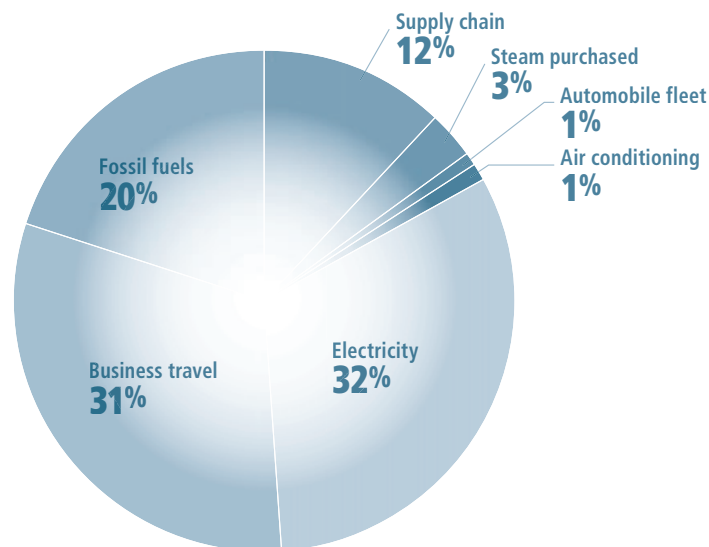
In 2012, our continued efforts on this front qualified us to become the first-ever recipient of a Carbon Care™ certificate issued by Enviro-access Inc., following a rigorous carbon audit.

MEASURING OUR GHG EMISSIONS

Since 2008, National Bank has had its greenhouse gas (GHG) emissions quantified by an external firm and reported the findings to the Carbon Disclosure Project, a global organization that assesses the impact of business activities on climate change. For the second consecutive year, the Bank also had its reported GHG emissions verified by an independent third party, in accordance with ISO standard 14064-1: 2006.

This year, we also began using software that generates enhanced, personalized GHG reports. This life cycle assessment tool provides detailed analyses of our environmental footprint and other environmental information.

The Bank's GHG emissions in fiscal 2011 were estimated at 13,998 tons of CO₂.



Breakdown of GHG emissions

Every year, we also produce a table showing our SOFT (Sourcing, Operations, Facilities and Travel) footprint, which can be consulted on our website.

www.nbc.ca > About us > Social Responsibility > Social Responsibility Report

GAINING A BETTER UNDERSTANDING OF OUR SUPPLIERS' PRACTICES

In 2012, National Bank began taking stock of its suppliers' practices to promote a more sustainable and responsible approach within its sourcing policy. Our goal is to assess suppliers' impact on the environment and the community so we can better take those factors into account when selecting our partners.

MANAGING LOAN-RELATED ENVIRONMENTAL RISK

For several years, the credit policies of the Bank and some of its subsidiaries have included provisions and controls intended to assess whether clients comply with environmental standards and whether property taken as security is exposed to any environmental risks. These policies set out the procedures for managing environmental risks when granting credit or realizing on assets as well as the measures to accurately assess current and future risks.

CELEBRATING SUCCESSES

- National Bank took home top honours in the *Énergia* contest, Integrated Management category, for its project to increase energy efficiency in branches. The contest is organized by the *Association québécoise pour la maîtrise de l'énergie* (AQME).
- The Bank was ranked among the most active partners of the Hydro-Québec Building program as a result of the 26 energy efficiency projects it presented in 2012.

SOME OF OUR ACHIEVEMENTS

- The few remaining oil heating systems in our branches are gradually being converted to more eco-friendly systems. As part of this initiative, one of our branches has switched over to a residual forest biomass heating system fired by wood pellets.
- In 2012, the Bank replaced nearly 3,000 halogen light bulbs on its premises with light-emitting diodes (LEDs), which use less energy and have a longer lifespan. This complements the initiative we took in 2011 to replace the fluorescent tubes used in the outdoor signs of our branches.

OUR PLANS FOR THE FUTURE

- In the coming fiscal year, National Bank will continue to focus on responsible sourcing and pursue its energy efficiency program.
- The Bank will also continue to partner with the City of Montreal to support the city's 2010-2015 sustainable development plan, and has made a commitment to produce annual reports on the progress of the actions it undertakes.



LEED-CERTIFIED BUILDINGS

Last year, National Bank became the first financial institution in Quebec to obtain the LEED-CI Silver certification for the interior design of its Lachine branch in Montreal. Our design standards are aligned with LEED certification standards and are systematically applied to all new projects.

LEED (Leadership in Energy and Environmental Design) certification is awarded by the Canadian Green Building Council to recognize high-performing buildings that meet specific sustainable development standards. The Bank has numerous certification projects underway and is committed to obtaining the highest possible certifications. We promote the use of low-emission materials, specially designed recycling areas and geothermal and solar energy, and have even installed charging stations for electric vehicles. These are just a few of the innovative measures we are taking to reduce our environmental footprint.

NATIONAL BANK SUPPORTS THE NATURE CONSERVANCY OF CANADA

In 2012, the Bank pledged to contribute \$250,000 to preserve representative areas of the Green Mountains in the Eastern Townships.

ENSURING EFFECTIVE GOVERNANCE

Financial institutions play a vital role in maintaining global economic stability. Accordingly, National Bank recognizes the importance of adopting governance practices that meet the highest standards and expectations.

Honesty, integrity and ethics are central to our values and fundamental to our governance model and Code of Conduct and Ethics. We believe that sound governance practices, supported by solid values, are essential to the smooth operation of the Bank and are beneficial to our clients, employees and shareholders.

ENSURING COMPLIANCE WITH THE CODE OF CONDUCT AND ETHICS

We have integrated rigorous ethical standards and guidelines into our operations. These are set out in National Bank's Code of Conduct and Ethics.

Our Code, which was introduced in 1985 and is updated regularly, defines the behaviours we expect from our employees, officers and, insofar as the provisions of the Code apply to them, the members of the Board of Directors. It allows us to make sure that our standards concerning information confidentiality, potential conflicts of interest, information security, and other aspects of our activities are followed. The Code was reviewed in 2012 to reflect changes within the industry, integrate the latest best practices, maintain high ethical standards and clarify certain points.

Various ongoing measures also ensure that the Code is applied in a diligent and uniform manner. For instance, all newly hired employees are required to take an online course on the ethical and behavioural standards in effect at National Bank. All employees must sign an undertaking to comply with the Code and renew their commitment annually. Interns, consultants,

contract workers, agents and service providers must also read the Code and pledge to follow the provisions applicable to their activities.

ADOPTING LEADING-EDGE GOVERNANCE STANDARDS

Our corporate governance framework consists of clearly defined structures, policies and processes. A statement of our corporate governance practices and the mandates of the Board of Directors and Board committees can be found on our website.

The Board keeps abreast of governance developments and draws on the best practices advocated by various experts and specialized agencies throughout the world to ensure the Bank has an optimal governance framework that reflects the context in which it operates.

www.nbc.ca > About us > Investors

The Board is meticulous in carrying out its mandate of overseeing the management of the Bank. In the past fiscal year, the Board's three committees (Audit and Risk Management Committee, Human Resources Committee, Conduct Review and Corporate Governance Committee) addressed a number



The Bank's Board Room

of issues, including the application of International Financial Reporting Standards (IFRS) as well as acquisition opportunities and strategic transactions for the Bank. The three committees also continued to improve our governance practices by reviewing policies governing disclosure and majority voting.

MEETING APPLICABLE REQUIREMENTS

In addition to carrying out its mandate, the Board pays close attention to changes made in the governance of the financial industry and carefully monitors the development of policies, practices and systems implemented within National Bank.

In this regard, we have modified the presentation of our financial statements to meet IFRS requirements, which now apply to the Bank. Further changes along these lines are underway to comply with Basel III, which is gradually being phased in from 2013 to 2018. This international agreement is intended to make the international banking system more resilient and maintain confidence in the markets.

ENCOURAGING DIALOGUE

Sound governance means being open to diverse points of view and opinions. National Bank has therefore implemented methods for its shareholders to raise matters they deem noteworthy with Board members.

In order to facilitate this dialogue, the Bank has produced a document setting out the approach it takes in terms of executive compensation. Moreover, the Board once again submitted its executive compensation approach to an advisory vote by shareholders. At the Annual Meeting on April 4, 2012, 95.52% of shareholders voted in favour of the approach proposed by the Bank's Board of Directors.

Shareholders can also send us their comments or questions by mail, by e-mail or through the Investor Relations Department, or submit them in person at the annual meeting of shareholders.

Similarly, we seek to promote discussions with clients, employees, suppliers, interest groups and associations and facilitate access to high-quality information on the Bank, keeping with applicable legislation.

STRIVING FOR DIVERSITY ON THE BOARD

The Board believes that diversity among its members enriches discussion, and therefore recognizes the importance of increasing the number of women directors and striving for parity between men and women on the Board.

The independence of Board members is another prime consideration. Of the 14 directors serving on the Board on October 31, 2012, 12 are independent, including the Chairman of the Board and the members of each of the Board's committees.

The Board is also working on planning succession to ensure its continuity and enhance its diversity. It keeps an up-to-date list of qualified candidates, men and women who can enrich its deliberations and strengthen its ability to advise management.

CONTRIBUTING TO THE WEALTH OF OUR SOCIETY

National Bank is one of the largest employers in Canada. It also pays taxes, lends money and is a major purchaser of goods and services, making it a strong contributor to the economy.

The Bank spares no effort to maximize the benefits of its presence, namely by making responsible investments in its facilities, providing quality jobs and honouring its commitments to shareholders.

DRIVING OUR ECONOMY FORWARD

National Bank ranks among the largest companies in the country in terms of employees, total revenues, assets and net income. Through the numerous activities required to run the organization and operate its extensive branch network, National Bank serves as a powerful economic driver.

Some examples of our contribution to economic activity:

| | |
|----------------------|--|
| \$99 MILLION | > invested in our facilities |
| \$582 MILLION | > paid in income and other taxes |
| \$910 MILLION | > spent on goods and services |
| \$1.9 BILLION | > paid in salaries and employee benefits |
| \$55 BILLION | > granted to finance Canadian businesses |

Despite the uncertainty that prevailed throughout the year, National Bank turned in solid results for fiscal 2012.

The Bank has maintained its position among the best financial institutions both in Canada and abroad due primarily to the quality of its credit portfolio, its sound risk management, its reputation and its service quality.

- Excluding specified items, net income reached a record \$1,396 million in 2012, representing diluted earnings of \$7.86 per share.
- Return on common shareholders' equity was 20.7%.
- Our Tier 1 capital ratio (under Basel II) stood at 12%.

Detailed financial information is available on our website, specifically in our 2012 Annual Report.

www.nbc.ca > About us > Investors > Annual Report

Breakdown of employees (as at October 31, 2012)

| Province | Full-time | Part-time | Total |
|---------------------------|---------------|--------------|---------------|
| Newfoundland and Labrador | — | — | — |
| Prince Edward Island | 16 | 6 | 22 |
| Nova Scotia | 42 | 1 | 43 |
| New Brunswick | 195 | 115 | 310 |
| Quebec | 12,334 | 3,310 | 15,644 |
| Ontario | 1,900 | 324 | 2,224 |
| Manitoba | 122 | 3 | 125 |
| Saskatchewan | 57 | 8 | 65 |
| Alberta | 281 | 18 | 299 |
| British Columbia | 340 | 18 | 358 |
| Total Canada | 15,287 | 3,803 | 19,090 |
| Outside Canada | 123 | 1 | 124 |
| Temporary employees | 191 | 515 | 706 |
| Total | 15,601 | 4,319 | 19,920 |

Income and other taxes paid or payable in Canada (in thousands of dollars; as at October 31, 2012)

| | Income taxes ⁽¹⁾ | Capital taxes ⁽¹⁾ | Other taxes ⁽²⁾ |
|--|-----------------------------|------------------------------|----------------------------|
| Federal | 171,523 | — | 61,085 |
| Provincial | | | |
| Newfoundland and Labrador | 1 | — | — |
| Prince Edward Island | 45 | 69 | 222 |
| Nova Scotia | 189 | 7 | 686 |
| New Brunswick | 807 | 1,180 | 3,933 |
| Quebec | 94,422 | 3,116 | 186,658 |
| Ontario | 15,525 | — | 29,621 |
| Manitoba | 188 | 433 | 1,759 |
| Saskatchewan | 130 | 575 | 574 |
| Alberta | 2,354 | — | 1,556 |
| British Columbia | 1,275 | — | 3,811 |
| Yukon, Northwest Territories and Nunavut | — | — | — |
| Total – Provincial | 114,936 | 5,380 | 228,820 |
| Total – Federal and Provincial | 286,459 | 5,380 | 289,905 |

⁽¹⁾ Income taxes and capital taxes: Estimated amounts

⁽²⁾ Other taxes: Amount including employee benefits (employer's contribution including amounts paid to the Canada Pension Plan, Employment Insurance and provincial health insurance plans), business taxes, property taxes, sales taxes (including GST/HST and estimated provincial sales tax) and deposit insurance premiums.

Debt financing made available to companies in Canada (in thousands of dollars)

In 2012, National Bank approved nearly \$55 billion in debt financing to businesses across Canada.

| | \$0 to \$24.9 | \$25.0 to \$99.9 | \$100.0 to \$249.9 | \$250.0 to \$499.9 | \$500.0 to \$999.9 | \$1,000.0 to \$4,999.9 | \$5,000.0 or more | Total |
|----------------------------------|---------------|------------------|--------------------|--------------------|--------------------|------------------------|-------------------|--------------|
| Newfoundland and Labrador | | | | | | | | |
| Total authorized (\$) | 2,621.0 | a | b | a | a | a | c | 2,621.0 |
| Number of clients | 869 | a | b | a | a | a | c | 869 |
| Prince Edward Island | | | | | | | | |
| Total authorized (\$) | 669.1 | 1,905.3 | 2,485.5 | 4,451.7 | 8,552.3 | 43,582.0 | c | 61,645.9 |
| Number of clients | 187 | 39 | 17 | 13 | 13 | 21 | c | 290 |
| Nova Scotia | | | | | | | | |
| Total authorized (\$) | 2,252.5 | a | 2,353.9 | a | a | a | 593,893.7 | 598,500.1 |
| Number of clients | 851 | a | 14 | a | a | a | 15 | 880 |
| New Brunswick | | | | | | | | |
| Total authorized (\$) | 7,146.2 | 24,799.9 | 42,485.6 | 55,356.9 | 78,411.3 | 212,920.4 | 723,114.0 | 1,144,234.2 |
| Number of clients | 1,184 | 498 | 260 | 159 | 111 | 107 | 37 | 2,356 |
| Quebec | | | | | | | | |
| Total authorized (\$) | 327,832.9 | 665,098.8 | 1,040,893.1 | 1,614,908.1 | 2,208,663.6 | 7,021,877.0 | 21,160,517.4 | 34,039,790.9 |
| Number of clients | 51,795 | 13,715 | 6,657 | 4,585 | 3,148 | 3,458 | 876 | 84,234 |
| Ontario | | | | | | | | |
| Total authorized (\$) | 17,504.4 | 45,022.7 | 81,062.3 | 130,179.0 | 204,526.0 | 786,159.4 | 6,858,181.9 | 8,122,635.7 |
| Number of clients | 2,654 | 924 | 510 | 371 | 298 | 363 | 227 | 5,347 |
| Manitoba | | | | | | | | |
| Total authorized (\$) | 279.6 | 1,019.1 | 3,782.9 | 7,821.0 | 13,484.6 | 101,099.0 | 446,281.4 | 573,767.6 |
| Number of clients | 28 | 23 | 23 | 22 | 20 | 44 | 19 | 179 |
| Saskatchewan | | | | | | | | |
| Total authorized (\$) | 234.9 | 879.4 | 3,713.7 | 9,906.2 | 16,333.2 | 86,710.6 | 714,858.9 | 832,637.0 |
| Number of clients | 27 | 17 | 24 | 27 | 22 | 36 | 24 | 177 |
| Alberta | | | | | | | | |
| Total authorized (\$) | 1,308.3 | 4,787.9 | 11,422.9 | 22,738.4 | 20,071.7 | 124,979.8 | 8,248,621.4 | 8,433,930.5 |
| Number of clients | 146 | 99 | 71 | 69 | 31 | 55 | 169 | 640 |
| British Columbia | | | | | | | | |
| Total authorized (\$) | 423.6 | 2,813.5 | 7,492.5 | 17,691.2 | 23,396.4 | 45,599.8 | 794,002.0 | 891,419.0 |
| Number of clients | 43 | 63 | 47 | 50 | 33 | 17 | 19 | 272 |
| Grand total | | | | | | | | |
| Total authorized (\$) | 360,272.4 | 746,326.6 | 1,195,692.4 | 1,863,052.5 | 2,573,439.0 | 8,422,928.0 | 39,539,470.8 | 54,701,181.8 |
| Number of clients | 57,784 | 15,378 | 7,623 | 5,296 | 3,676 | 4,101 | 1,386 | 95,244 |

Note: To preserve client confidentiality, certain figures have been combined as follows:

- a - The figures for Newfoundland and Labrador and Nova Scotia have been added to the figures for Prince Edward Island and to that province's total.
- b - The figures for Newfoundland and Labrador have been added to the figures for Prince Edward Island and to that province's total.
- c - The figures for Newfoundland and Labrador and Prince Edward Island have been added to the figures for Nova Scotia and to that province's total.

The figures shown have been rounded to one decimal point.

Branches opened and closed (as at October 31, 2012)

Branches closed

Quebec

1405 rue King Ouest, Sherbrooke

79 rue Commerciale Ouest, Chandler

101-259 boul. Saint-Joseph, Gatineau

2099 boul. Fernand-Lafontaine, Longueuil

900 boul. Raymond, Quebec City

1000 boul. Chomedey, Laval

New Brunswick

3-219 Main Street, Bathurst

Ontario

328 King Street East, Kingston

150 York Street, Toronto

2828 Kingsway Drive, Oakville

Branches opened

Quebec

1800 rue King Ouest, Sherbrooke

21 boul. René-Lévesque Ouest, Chandler

428 boul. Saint-Joseph, Gatineau

1265 Chemin Du Tremblay, Longueuil

945 av. Nordique, Quebec City

10650 boul. Pie-IX, Montreal

200-7500 boul. Les Galeries-d'Anjou, Montreal

5875 av. Monkland, Montreal

New Brunswick

705 St. Peter Ave, Bathurst

Ontario

2628 Princess Street, Kingston

121 King Street West, Toronto

2680 Sheridan Garden Drive, Oakville

333 King Street East, Toronto

848 March Road, Kanata

18 York Street, Toronto

ABMs removed or added (as at October 31, 2012)

ABMs removed

Quebec

105 rue De La Visitation, Saint-Charles-Borromée

1100 montée Masson, Mascouche

1137 rue De Clarendon, Quyon

1300 boul. Saint-Jean Baptiste, Montreal

1405 rue King Ouest, Sherbrooke (2 ABMs)

2099 boul. Fernand-Lafontaine, Longueuil (3 ABMs)

475 boul. de Maisonneuve Est, Montreal

527 rue Principale, Saint-Amable

689 rue Commerciale, Notre-Dame-du-Lac

7272 boul. Maurice-Duplessis, Rivière-des-Prairies

79 rue Commerciale Ouest, Chandler

900 boul. Raymond, Quebec City (2 ABMs)

ABMs added

Quebec

10650 boul. Pie-IX, Montreal

1109 montée Masson, Mascouche

1265 chemin Du Tremblay, Longueuil (3 ABMs)

1363 av. Maguire, Sillery

1755 boul. René-Laennec, Laval

1800 rue King Ouest, Sherbrooke (2 ABMs)

21 boul. René-Lévesque Ouest, Chandler

210 rue Sainte-Catherine, Saint-Constant (2 ABMs)

214 boul. René-A.-Robert, Sainte-Thérèse

2380 boul. Sainte-Sophie, Sainte-Sophie

2425 boul. Bastien, Quebec City

2426 rue Commerciale Sud, Témiscouata-sur-le-Lac

3080 rue Henri-L. Chevette, Saint-Félix-de-Valois

4459 Route De Fossambault, Sainte-Catherine-de-la-Jacques-Cartier

499 boul. Gréber, Gatineau

520 rue Principale, Saint-Amable

5875 av. Monkland, Montreal (2 ABMs)

600 rue De La Gauchetière Ouest, Level B, Montreal

945 av. Nordique, Quebec City (3 ABMs)

ABMs temporarily installed during events

Quebec

Place des Festivals – rue Jeanne-Mance, Montreal

Uniprix Stadium – 285 rue Faillon Ouest, Montreal

Ontario

Rexall Centre – York University, 1 Shoreham Dr., Suite 100, Toronto

New Brunswick

219 Main Street, Bathurst

Ontario

2828 Kingsway Drive, Oakville

305 rue Barkoff, Trois-Rivières (2 ABMs)

2841 av. Saint-David, Quebec City

1086 rue Saint-Isidore, Saint-Lin-Laurentides

New Brunswick

705 St. Peter Ave., Bathurst

32 St.-Pierre Blvd. West, Caraquet

Ontario

333 King Street East, Toronto

121 King Street West, Toronto (3 ABMs)

18 York Street, Toronto (2 ABMs)

2200 Martin Grove, Toronto

2628 Princess Street, Kingston (2 ABMs)

2680 Sheridan Garden Drive, Oakville (2 ABMs)

848 March Road, Kanata (2 ABMs)

10520 Torbram Road, Brampton

5557 Hazeldean Road, Stittsville

Event

Dates

Just for Laughs Festival

July 12 to 31, 2012

Rogers Cup – Montreal

August 4 to 13, 2012

Rogers Cup – Toronto

August 4 to 12, 2012

Subsidiaries* of National Bank (as at October 31, 2012)

National Bank of Canada subsidiaries covered under the Public Accountability Statements Regulations adopted on March 21, 2002 and in accordance with the requirements of the Financial Consumer Agency of Canada.

National Bank Life Insurance Company

– National Bank Insurance Firm Inc.

NBC Alternative Investments Inc.

CABN Investments Inc.

National Bank Direct Brokerage Inc.

FBN Funding, LLC

National Bank Financial Inc.

– NBF Securities (USA) Corp.

– National Bank Financial Ltd.

– NBF Financial Services Inc.

– NBF Financial Services Ltd.

Innocap Investment Management Inc.

Natcan Investment Management Inc.

Natbank, National Association

NBCN Inc.

NCEJV, LLC

National Bank Securities Inc.

Natcan Trust Company

National Bank Trust Inc.

* The term subsidiary denotes an entity of the National Bank group

This 2012 Social Responsibility Report is published by the Public Affairs Department of National Bank of Canada pursuant to the Public Accountability Statements Regulations adopted on March 21, 2002, and as directed by the Financial Consumer Agency of Canada.

It complements the National Bank Annual Report and provides an overview of our activities during the year in support of all our stakeholders. References to the website are provided throughout the report for those who would like additional information on the various programs and policies discussed.

Unless otherwise indicated, the information presented refers to fiscal 2012 (November 1, 2011 to October 31, 2012).

This report is available at any branch, or by calling 514-394-5555 or 1-888-4-TELNAT. It may also be consulted in its entirety at nbc.ca/socialresponsibility.

Également disponible en français.

Comments regarding this document may be forwarded by e-mail to our Public Affairs Department: pa@nbc.ca.

1st quarter 2013

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Page 5 (National Bank sign): Pierre Rajotte

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Page 9 (Clearfacts.ca illustration): Élise Gravel

Pages 10, 15, 16, 17 and 18: Cabana Séguin Inc.

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