

Our social responsibility 2013



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MESSAGE FROM THE PRESIDENT

We can be very proud of our performance in terms of social responsibility in 2013. True to its founding mission, the Bank once again distinguished itself through its unwavering commitment to economic and social development and can boast outstanding achievements in every regard.

The Bank kicked off 2013 with the announcement of the largest donation in its history: \$10 million to *Campus Montréal* (HEC Montréal, Polytechnique Montréal and Université de Montréal). The funds were used to create the National Bank | HEC Montréal Institute for Entrepreneurship, a centre dedicated to supporting business start-ups and relaunches.

Like our many other partnerships, this one illustrates the depth of our support for entrepreneurs. Whether they are in the start-up, development or final transfer phase, organizations of all sizes have a true partner in the Bank.

In all its dealings with commercial and retail clients alike, the Bank is committed to delivering a superior client experience. It is with this goal in mind that we continued to make targeted improvements in 2013, most notably to our electronic and mobile banking services. These efforts were recognized by Surviscor, which awarded us its top ranking for our mobile banking services in Canada.

The Bank's ability to continually adapt to clients' preferences ultimately hinges on the work of its close to 20,000 employees and a long-standing culture of collaboration, accountability and performance. These core values are what drive our institution's success and make it a great place to work, as confirmed by our positioning among Canada's best employers for a ninth year.

The Bank is always looking to promote development and talent within its own ranks, and does so in the community as well. Through its One for Youth program, it actively helps thousands

of young people to achieve their full potential. In 2013, our regional One for Youth committees distributed \$1 million to 104 organizations across the country.

While the Bank is particularly committed to supporting young people, it is actively involved in all the regions it serves. Its quick response to assist the victims of the disasters in Calgary and Lac-Mégantic this past summer are two noteworthy examples.

In 2013, the Bank and its employees showed exemplary dedication on all fronts. It was therefore gratifying to be named Outstanding Enterprise of the Year in Philanthropy* by the Association of Fundraising Professionals.

This recognition is a tribute to the Bank's tradition of commitment spanning more than 150 years—a tradition it intends to uphold. I have no doubt that we will continue to fully exercise our leadership role in creating economic and social value in the community for many years to come.



A handwritten signature in black ink, which appears to read 'Louis Vachon'. The signature is fluid and stylized, with a long horizontal stroke at the end.

Louis Vachon
President and Chief Executive Officer

* Quebec Chapter, more than 250 employees category

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 \$188 billion as at October 31, 2013.

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

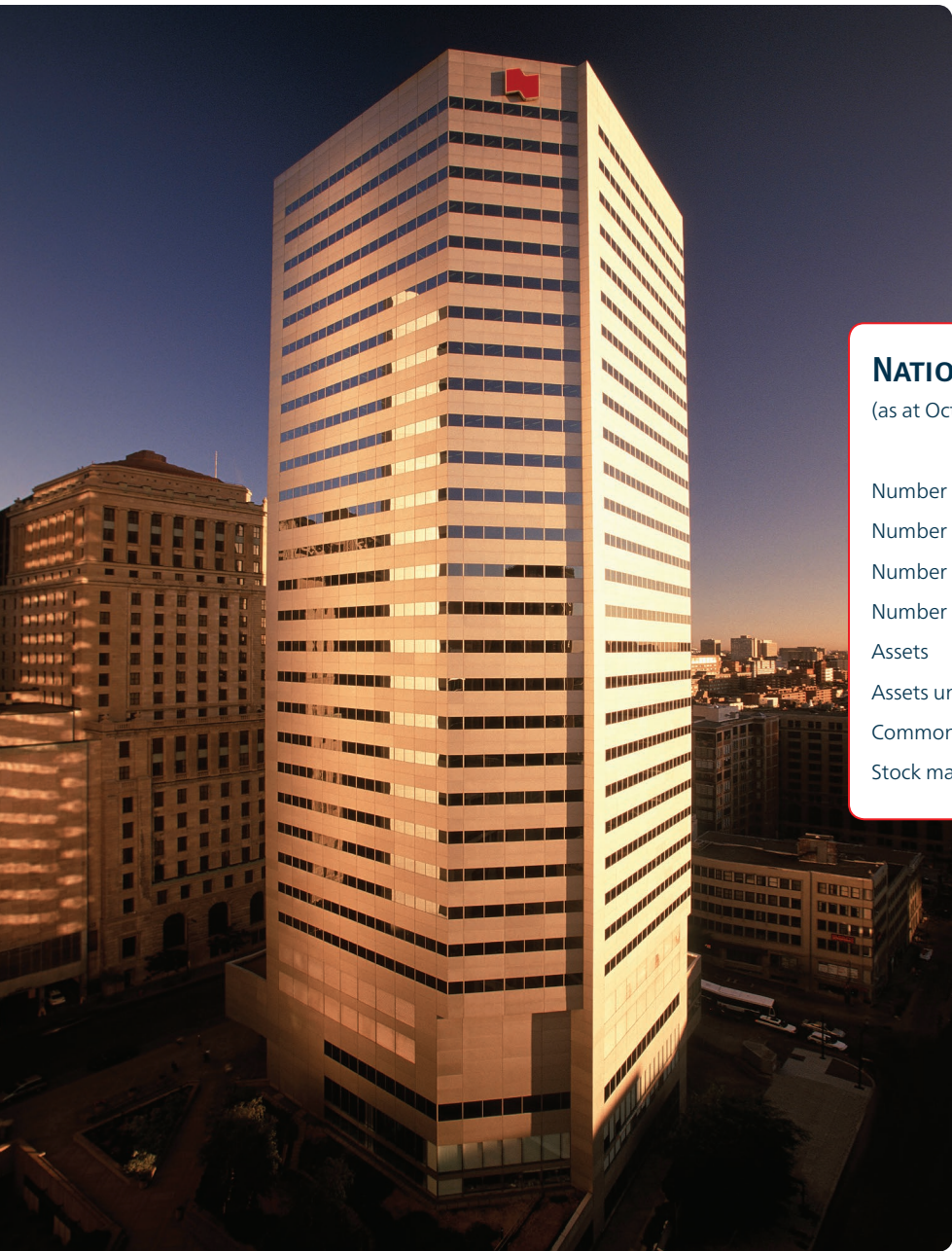
National Bank is committed to effectively meeting the expectations of its stakeholders and building lasting relationships with them.

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.

RANKING AMONG THE BEST

National Bank distinguished itself in 2013, placing among the top companies in a number of prestigious lists. For example, for the third year running, National Bank was named one of the 20 strongest banks in the world by *Bloomberg Markets magazine*, and for a ninth year, made the list of the 50 Best Employers in Canada compiled by Aon Hewitt. In addition, the Bank was recognized for the accuracy of its Canadian dollar exchange rate forecasts (according to Bloomberg), independent investor satisfaction (J.D. Power survey) and its environmental practices (CarbonCare™ certification).

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



NATIONAL BANK AT A GLANCE

(as at October 31, 2013)

Number of employees	19,691
Number of branches	453
Number of banking machines	937
Number of individual clients	2.4 million
Assets	\$188 billion
Assets under management and administration	\$258 billion
Common share price at closing (TSX: NA)	\$90.48
Stock market capitalization	\$14.7 billion

SERVING OUR CLIENTS BETTER

At National Bank, our clients are at the heart of our activities. That's why we strive to continuously improve our work methods, services, networks and infrastructures to better meet their needs.

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. Our employees across the country are dedicated to providing outstanding 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 2013, the Bank continued to implement initiatives aimed at delivering on its Client Promise, which is central to the second phase in its *One client, one bank* transformation. This promise reflects our belief that a superior client experience hinges on a dedicated workforce, an integrated product offering and greater 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 streamline and 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 2013, National Bank acquired TD Waterhouse Institutional Services from Toronto-Dominion Bank.

The assets included in the acquisition are being integrated into National Bank Correspondent Network (NBCN), Canada's premier provider of brokerage, custody, trading, clearing, settlement and record-keeping services for independent portfolio managers and introducing brokers.

With this acquisition, NBCN now serves more than 400 independent market intermediaries, and has expanded its scope across the country and industry-wide. NBCN currently manages \$85 billion in assets for half a million Canadian investors.

OFFERING COMPREHENSIVE, PERSONALIZED ADVICE

We want to build close relationships with our diverse clients and help them make the best possible financial decisions. In 2013, we continued to develop tools and services to that end.

Services and advice for newcomers

To assist newcomers to Canada with their financial transition, we have created a service offering tailored to their needs. When they first arrive, we help them get acquainted with the Canadian banking system through partnerships with various non-profit organizations. 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/newcomers
www.nbf-gocanada.com

THE CHANGING FACE OF OUR BRANCH NETWORK

The Bank pursued its branch improvement projects in 2013, with investments of more than \$14 million. In all, 11 major projects in Quebec, Ontario and Atlantic Canada were completed.

One of the noteworthy projects of the year was the rollout of our red carpet concept in a number of branches. This concept, symbolized by a red carpet, is the embodiment of our Client Promise. The following initiatives were carried out this year as part of this project.

- Digital signage was installed in 41 of our branches and electronic currency rate panels were added to the Bank's foreign exchange offices.
 - Specialized zones like an interactive space with an electronic tablet and a financial literacy zone were created in the new branches in Valleyfield, Boucherville, Greenfield Park and the borough of Montreal North.
 - At a Moncton branch, a unique layout using minimal space was developed to offer a Wi-Fi zone and electronic tablets so clients can explore the Bank's many services.
 - The aim of every branch improvement project is to reduce our ecological footprint by integrating strict energy efficiency measures and using sustainable materials.
 - Several branches celebrated their 100th anniversary this year, most notably, the Mariville, Saint-Lambert and Saint-Clet branches in Quebec and the Edmundston branch in New Brunswick. Celebrations were held at each branch and attended by clients, employees and local dignitaries.
- The MAX Program, which consists in optimizing the client experience through advanced technology, embarked on a new phase in 2013. A new mortgage lending tool is now available in all National Bank branches in Quebec. In almost 75% of cases, clients can now receive a mortgage financing decision in a single hour-long meeting. In the past, this same process could require several meetings.
 - The National Bank network now has 453 branches and 937 banking machines. We also provide access to some 2,500 ABMs across Canada through THE EXCHANGE® network.



Interactive zones were set up in some branches in 2013.

Tools for do-it-yourself investors

National Bank Direct Brokerage (NBDB) continued to innovate in 2013 with the launch of its new website and an improved mobile site for smart phones.

Users now have three options for personalizing the way they access the site: one for new investors looking to take care of their investments, one for experienced do-it-yourself investors,

and one for active investors. The website gives all users access to a number of new features that can guide them in their investment strategy: an education centre, videos, calculators and publications (Dow Jones Morning Briefing, Morningstar independent research, National Bank Financial research and analyses, etc.). What's more, the site's new user-friendly interface makes finding information more intuitive.

NBDB is also on social media, making it easier to communicate with do-it-yourself investors and make sure they have as much information as possible. Investors who join these communities can learn more about the services NBDB offers and receive notifications about conferences, training, seminars and webinars presented by NBDB.

www.nbdb.ca
Twitter: #NBDirectBrokerage
LinkedIn: National Bank Direct Brokerage

Active support for retirement planning

In 2013, 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. This year, we also launched an iPad version of Investment Track. In addition, our experts offered many retirement-themed seminars to thousands of clients across Canada.

www.nbc.ca > Personal > Planning your retirement

NATIONAL BANK’S PRESENCE ON SOCIAL NETWORKS

National Bank clients were more connected than ever to a variety of web-based platforms and social media in 2013. The Bank’s daily presence on social networking sites has successfully increased opportunities for interaction with clients and interest groups alike.

CONNECTING WITH US VIA SOCIAL NETWORKS



LinkedIn
To view hundreds of job postings each year.



Twitter
To follow National Bank news in real time: investment and savings advice, information about seminars presented by National Bank Direct Brokerage, the philanthropic initiatives of the One for Youth program.



Facebook
To check out photo albums, advice and articles on personal finance, personalized contests and job offers.

With more than 100,000 followers on its Facebook pages, National Bank is among the world's top 100 banks on social media according to The Financial Brand website.



Google Maps
To find the nearest National Bank branch.



YouTube
To view dozens of video clips for a better understanding of personal finance.

In 2013, clips included interviews with successful entrepreneurs, footage from the Rogers Cup, exclusive content from the Montreal Just for Laughs comedy festival and Toronto Reel Asian International Film Festival, and highlights from the One for Youth Bicycle Tour and the 2013 Centraide Cup soccer tournament.



Foursquare
To geolocate more than 400 National Bank branches across Canada.



Google+
To find a variety of ads and web content on personal finance and social responsibility.

For a list of our web addresses on social networks, go to www.nbc.ca/socialnetworks

OUR INFORMATION WEBSITES

youth.nationalbank.ca

The One for Youth program gained momentum in 2013, giving \$1 million to youth initiatives across Canada. Our youth.nationalbank.ca site features the many different youth initiatives supported by the Bank, including the On the Ball program, the Breakfast Club of Canada, the One for Youth Bicycle Tour and the Quebec Foundation for Athletic Excellence.

commitment.nationalbank.ca

The Bank posts all the latest news on its community relations and many social involvement initiatives at commitment.nationalbank.ca.

clearfacts.ca

In 2013, National Bank continued to add financial literacy tools for people of all ages to its interactive online platform clearfacts.ca. More than a million visitors to the site since 2010 have received tips on managing their personal finances through some 2,500 articles, videos, webinars and videos on a myriad of topics.

nbctennis.ca

Canada's tennis bank, National Bank posts all its tennis-related initiatives on nbctennis.ca. In 2013, the Bank presented the Rogers Cup tournaments in Montreal and Toronto as well as many other major Canadian tennis tournaments.

decisionmakers.ca

The Decision Makers portal profiles local companies and presents the winners of the latest SME Awards as well as testimonials from successful entrepreneurs.

MAINTAINING CLOSE TIES WITH OUR BUSINESS CLIENTS

National Bank is well-known for the strong ties it has forged over the years with its business clients. No matter which industry entrepreneurs operate in, our highly qualified advisors 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.

In a business world where international trade, cash management, human resources management and risk management are becoming increasingly complex, our personalized approach takes into consideration our clients' goals and projects to help them achieve optimal growth now and in the future.

OFFERING SPECIALIZED SERVICES

Over the past fiscal year, the Bank continued to tailor its selection of financial solutions to its clients' specific fields of activity. Our experts can offer specialized support to businesses in a wide range of industries, such 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

National Bank is convinced that pooling strengths is the best way to develop talent, which is essential to fostering the entrepreneurial spirit. The creation of the National Bank | HEC Montréal Institute for Entrepreneurship, thanks to the Bank's historical \$10 million donation to *Campus Montréal*, is a natural follow-up to our commitment to young people, education and entrepreneurship. In 2013, the Bank also renewed its association with numerous partners that promote and foster entrepreneurship and support home-grown entrepreneurs: *Anges Québec*; the *Centre d'entrepreneuriat et d'essaimage* and the *Centre de transfert et de développement des affaires* at the *Université du Québec à Chicoutimi*; the Board of Trade of Metropolitan Montreal; the *École d'Entrepreneurship de Beauce*; the *Fondation de l'entrepreneurship*; the *Groupement des chefs d'entreprise du Québec*; Junior Achievement Quebec and Junior Achievement of Canada; and the Ted Rogers School of Management at Ryerson University.

19TH EDITION OF THE NATIONAL BANK SME AWARDS

Every year the Bank pays tribute to the entrepreneurs who make an outstanding contribution to the growth and prosperity of Quebec. The SME Awards are our way of recognizing their dedication, sense of innovation and performance. This prestigious contest is intended to showcase exceptional performances by local businesses and salute leaders in five business categories. A new award was introduced in 2013: the Jury's Choice SME – Young Entrepreneur that went to La Crevette du Nord-Atlantique Inc. in Gaspé.

The Gold winners in each category are:



Agribusiness SME:
Rivière du Chêne Winery
in Saint-Eustache



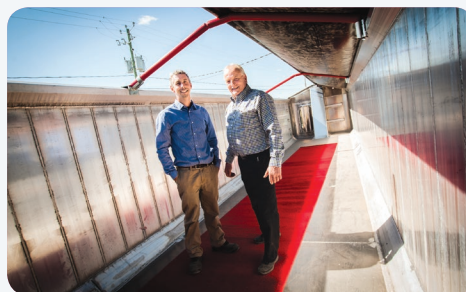
SME with \$5 to \$10 million in sales:
YourBarFactory,
Montreal



Export SME: Valmétal Inc.
in Saint-Germain-de-Grantham



SME with \$10 to \$50 million in sales:
Eureka Lighting,
Montreal



SME with less than \$5 million in sales:
ElCargo Fabrication Inc.,
Saint-Hyacinthe

INVESTING IN TECHNOLOGY

In 2013, National Bank continued one of the largest technological overhauls ever undertaken in the Canadian banking industry.

All Bank sectors are pooling their efforts to review systems and processes with the goal of simplifying them and bringing them more in line with clients' needs, from account openings to mortgage applications.

Here are some of the improvements we made to our mobile and Internet banking solutions in 2013:

Mobile banking solutions

- Android app and BlackBerry launcher added to our iPhone and iPod Touch apps

Apps for tablets

- Investment Track, a retirement planning app, introduced for iPad

Corporate website (nbc.ca)

- Website interface and ergonomics revamped for better navigation

National Bank Direct Brokerage (nbdb.ca)

- New dynamic, ergonomic website and enhanced education centre
- Launch of the m.nbdb.ca mobile site

National Bank Financial Markets (nbfm.ca)

- New website structured to give users quick access to the services they want

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 130,000 of the Bank's individual and business clients in 2013. This exercise gives the Bank more regular and more accurate 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.

New client satisfaction metrics for Bank units and subsidiaries will be added in 2014 to provide even greater insight.

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

WORKING TOGETHER SUCCEEDING TOGETHER

National Bank is recognized as a top employer in Canada and is proud to count on its employees as its best ambassadors. They are always at the heart of the action, and we consider them to be one of our organization's greatest assets.

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



BEING ATTENTIVE TO EMPLOYEES' NEEDS

National Bank is committed to helping employees maintain a healthy balance between their personal and professional lives and is sensitive to their needs.

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.

To promote employee wellness, National Bank set up the My Health: My Wealth! program to encourage employees to look after their physical and mental well-being by providing them with the information, tools and resources to adopt healthy lifestyles. Launched eight years ago, this program is greatly appreciated by employees.

National Bank also offers confidential professional support to employees and their loved ones who are coping with difficulties in their personal lives through its Employee and Family Assistance Program (EFAP). The EFAP is complemented by services for managers to help them deal with emotionally difficult and delicate situations they may face in their management role.

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.

OFFERING COMPETITIVE TOTAL COMPENSATION

National Bank offers a total compensation package designed to support strategies to attract, retain and engage high-performing talented employees in order to meet business objectives. The following principles form the cornerstone of our total compensation policy:

- Offer competitive compensation in order to recruit, motivate and retain qualified employees
- Recognize employees' contribution with fair and just compensation based on their roles and responsibilities
- Pay higher variable compensation when results exceed set objectives and lower compensation when they fall short of expectations
- Engage employees to focus on enhancing the Bank's performance and generating added value for shareholders
- Contribute to the achievement of the sectors' business objectives
- Support employees' current and future needs and ensure their well-being

The Bank has a broad range of compensation components to meet different needs and ensure competitive total compensation. Our total compensation package consists of:

- Base salary
- Variable compensation programs
- Employee benefits, including:
 - Flexible group insurance plan
 - Pension plan
 - Employee share ownership plan
 - Credit policies and banking privileges
 - Employee and Family Assistance Program

ONE OF CANADA'S TOP EMPLOYERS

National Bank has received numerous awards over the years for being an outstanding employer. In 2013, we were recognized in several prestigious rankings, including the following:

- The 50 Best Employers in Canada (Aon Hewitt)
- Canada's Best Diversity Employers (Mediacorp Canada)
- The Best Employers in Quebec (Aon Hewitt)
- Best Employer for New Canadians (Mediacorp Canada)



According to our employees, the Bank stands out for all of the following:

- Our history and entrepreneurial culture
- Our commitment to clients and the community
- Our financial strength
- Our challenges and our commitment to employee development
- Our collaborative approach

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 continued to partner with several groups in order to forge closer ties with communities that represent:

- women: the Association of Québec Women in Finance, the Women's Executive Network and Women in Capital Markets
- members of the lesbian, gay, bisexual and transgender (LGBT) community: Pride at Work, *Fondation Émergence*, *Gris Montréal*, the *Conseil québécois LGBT* and the *Chambre de commerce gaie du Québec*

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

Languages spoken (as at October 31, 2013)

40
Number of languages spoken by employees

French, English, Spanish, Arabic, Italian, Portuguese, Cantonese and Mandarin
Most frequently spoken

Representation (as at October 31, 2013)

	Women in senior management	Visible minorities	Persons with disabilities
2013	48.4%	17.3%	2.2%
2003	25.6%	7.5%	2.1%

NEW INTERNAL NETWORKS

In 2013, the Bank continued its activities in connection with the two in-house networks it set up in 2012, namely, the Women's Leadership Network and the IDEO network for members of the LGBT community.

These networks seek to:

- promote development and leadership among employees
- strengthen community ties primarily by taking part in activities that highlight leadership and involvement in women's networks and the LGBT community.

In 2013, both networks organized numerous events that enabled participants to share best practices, expand their personal contacts, and benefit from the experience of members of senior management.

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 postsecondary education by offering them financial support and relevant work experience.

In 2013, our Bursary and Summer Employment Program for students with functional limitations awarded a \$5,000 bursary and a paid 12-week summer job to one university student and a \$2,500 bursary and a paid 10-week summer job to one college-level student.

This year's recipients are Mathew Armutlu, a Bachelor of Commerce student majoring in Finance at McGill's Desautels Faculty of Management; and H  l  ne Haineault, who is studying Social Science – Administration at Coll  ge de Valleyfield.

**Women in Finance
Scholarship program**

In 2013, 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 fourth edition's scholarships are Maryse Duguay-Patenaude, who is undertaking a Master's in Financial Engineering at HEC Montréal; Shikha Jain, an MBA student at the Schulich School of Business, York University; and Lauren Reid, who is enrolled in the Master's of Management of Innovation program at the Rotman School of Management, 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 who will mentor them during their studies.



The Co-President and Co-Chief Executive Officer of National Bank Financial and Executive Vice-President of Financial Markets, Ricardo Pascoe (centre), flanked by employees of the Financial Markets sector and the recipients (front) of the Women in Finance scholarships.

New graduates

Financial Markets Rotation Program

As part of the 2013 edition of the Financial Markets sector's ongoing rotation program, 13 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 in line with their interests and strengths.

CONTRIBUTING TO PROFESSIONAL DEVELOPMENT

National Bank has long been dedicated to creating an environment that promotes career development and helps employees achieve their full potential.



In 2013, we invested more than \$26 million in employee skills development. Some 135,000 courses were completed in all, representing approximately 53,000 training days.

Performance and career management continue to be key to achieving business objectives, encouraging professional development, identifying succession and managing workforce risk. Over the past year, a new career development section was made available on the Intranet where employees can assess their skills and interests, explore opportunities for growth, draw up an action plan and track their progress.

Since leadership is vital for the Bank's continued growth, efforts were invested this year to round out the development opportunities available to managers and professionals. The compulsory onboarding program for new managers now includes additional development activities, including classroom and online training, to reflect business priorities. The program also helps managers improve their skills related to the annual management cycle and develop core competencies that will help our leaders contribute fully to the Bank's success.

The Bank is always enhancing the training it offers managers and professionals to help them map out their development plan going forward.

These integrated strategies also support the rollout of major organizational projects, such as the MAX Program and the Client Promise.

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, members of the Office of the President take time to meet with hundreds of employees across all line levels and all regions where the Bank is present.

In 2013, President and Chief Executive Officer Louis Vachon also met with many employees at executive luncheons, branch visits, lunch meetings, and other events to talk directly with them 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.

According to the latest *Taking a Look at Our Organization* survey, completed in the spring of 2013 by more than 80% of staff, the Bank's employees remain committed to the *One client, one bank* vision. Management also took into account the thousands of comments submitted by employees in preparing action plans. Both internal and external surveys cast light on employees' concerns and help us continually improve our human resources and management practices.

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 professionals who abide by a strict 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 2013, the Bank donated a total of \$9.2 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.

Through its branches, the Bank assisted relief efforts and raised funds for the victims of the flooding in Calgary, the train derailment in Lac-Mégantic and Typhoon Haiyan in the Philippines in 2013. These gestures are a great example of the solidarity and compassion that drive National Bank employees and clients.



FOCUSING ON YOUTH DEVELOPMENT

In 2012, the Bank launched One for Youth, a program aimed at helping young people, from birth to age 25, achieve their full potential and build a better future. The structure of the program illustrates how inventive and hands-on the Bank's charitable efforts are.

The launch of the One for Youth committees was a highlight of 2013. In order to effectively align its community involvement with local needs, the Bank set up 12 regional committees across Canada to select youth-related projects. Of the more than 1,600 projects submitted, the committee selected 104 organizations that will share \$1 million to carry out inspiring youth projects.

Our One for Youth program and the many promising projects to promote entrepreneurship, diversity and culture earned the Bank the Outstanding Enterprise of the Year in Philanthropy award in the *more than 250 employees category* from the Quebec Chapter of the Association of Fundraising Professionals.

For more information:
www.youth.nationalbank.ca



Fondation du Dr Julien – \$17,000

Through its Helium program, the Fondation offers educational after-school activities, unstructured play, help with homework, snacks and workshops to the children of Montreal's Hochelaga-Maisonneuve borough.



READ Saskatoon – \$15,000

This organization offers financial literacy workshops (on budgeting, credit, consumerism and understanding assets) to street kids, young parents, and young adults from 15 to 29, as well as First Nation members, Métis and recent immigrants.

RECOGNIZING THE VOLUNTEER EFFORTS OF EMPLOYEES

Our employees play a pivotal role in their communities from coast to coast. They actively contribute to improving the lives of the most vulnerable members of our society, dedicating countless hours to organizing events, including golf tournaments, benefit dinners and charity auctions, and donating the proceeds to local organizations.

Current and retired National Bank employees also tirelessly support the United Way/Centraide fundraising campaigns. During the 36th annual campaign in 2013, more than \$2.7 million was collected across Canada, including a corporate donation from National Bank.

For the second year in a row, Centraide of Greater Montreal hosted the Centraide Cup, a benefit soccer tournament pitting some 30 companies against one another. A semi-finalist in the 2012 tournament, National Bank proudly took home this year's Cup.



 Visit commitment.nationalbank.ca or our YouTube channel to see our winning team in action!

SOME OF OUR DONATIONS

Our commitment to **health**

- **Jewish General Hospital Foundation** (Montreal, Quebec; 2013-2022). Help establish the Dubrovsky Molecular Pathology Centre to improve detection of genetic signatures associated with various illnesses, including numerous types of tumours.
\$2,000,000
- **St. Michael's Foundation** (Toronto, Ontario; 2014-2018). Support the construction of the Ambulatory Care Clinic for treating patients who do not require emergency care.
\$250,000

- **Fondation de l'Institut Nazareth et Louis-Braille** (Quebec; 2013-2015). Create the Étienne-Beauchair Scholarship in memory of an inspiring young man and highlight the spirit of innovation and entrepreneurship of a young person living with a visual impairment.
\$45,000



Our commitment to **education**

- **Rotman School of Management** (Toronto, Ontario; 2014-2018). Support activities that promote entrepreneurship.
\$500,000
- **Fondation de l'Université du Québec à Rimouski (UQAR)** (Lower St. Lawrence/Gaspé/Îles-de-la-Madeleine, Quebec; 2013). Invest in UQAR's student retention and literacy chair.
\$100,000

Our commitment to **community outreach**

- **My Giving Moment campaign** (Canada; 2013-2016). Support the campaign promoting philanthropy and volunteering launched by the Governor General of Canada, David Johnston.

\$400,000

- **Accueil Bonneau** (Montreal, Quebec; 2013-2017). Make a concrete gesture to help people struggling with homelessness achieve residential stability and regain their independence.

\$300,000

- **Fondation Jean Lapointe** (Quebec; 2014-2015). Support My Independence Matters to Me!, an alcohol and drug abuse prevention program in schools.

\$100,000

Our commitment to **arts and culture**

- **Fondation Pointe-à-Callière** (Montreal, Quebec; 2013-2022). Play an active role in preserving and showcasing Montreal's historic sites by supporting the Mariners' House, Phase 1 of the expansion of the Montreal Archaeology and History Complex.

\$1,000,000

- **Fondation du Conservatoire de musique et d'art dramatique du Québec** (Saguenay-Lac-Saint-Jean and Val-d'Or, Quebec; 2013-2015). Encourage organizations involved in music and teaching to pool their resources and share their passion in order to rekindle an interest in music in a region celebrated as the birthplace of many famous musicians.

\$45,000

For information about other major donations, see the Supporting entrepreneurship section on page 8.

Promoting **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** and 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.

For the second straight year, professional tennis player Aleksandra Wozniak served as 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 800,000 used tennis balls have been repurposed in this way since the program's launch.



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.

SOME OF OUR SPONSORSHIPS

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

- **Toronto Reel Asian International Film Festival** (Toronto, Ontario). Act as the presenting sponsor of Canada's largest Asian film festival.
- **L'Étoile Banque Nationale** (Brossard, Quebec). Contribute to the economic and cultural vitality of the Montérégie region by partnering with the concert venue at the *Quartier Dix30* shopping and entertainment complex.
- **Théâtre Banque Nationale** (Saguenay, Quebec). Promote culture and the performing arts in the Saguenay region.
- **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; 2013-2017). Major investment of \$1,000,000 over five years to support athletic talent through bursaries to the most promising student athletes. In 2013, 36 bursaries were awarded to young athletes under this program, three of whom were Olympic medalists.

Through its donations and sponsorships program, National Bank gave substantial amounts to hundreds of organizations across Canada in 2013.

For more information on our donations, sponsorships and fundraisers in 2013, visit www.commitment.nationalbank.ca.

A FEW EXAMPLES OF FUNDRAISING INITIATIVES

- **Breakfast Club 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 across Canada. This past year, proceeds from the magnet sets sold by branches, combined with a donation from National Bank, amounted to close to **\$405,000**.
Since 2005, we have donated over \$3.8 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. Many National Bank employees and clients contributed to this fundraiser in 2013. **\$165,000**
- **One for Youth Bicycle Tour** (Quebec). Close to 200 employees raised funds by participating in this 300 km bike ride to support a variety of organizations dedicated to helping young people, namely, the *Fondation Tel-jeunes*, the Marie-Vincent Foundation, the *Communauté d'action jeunesse de la MRC de Joliette* (CAJOL), the *Persévérons ensemble* organization of the *Commission scolaire de la Seigneurie-des-Mille-Îles* and *École Simon-Vanier* in Laval. **\$100,000**
- **The 2013 Tour of Hope** (Moncton, New Brunswick). Offer support to cancer patients and their families and help improve care and facilities at the Dr. Léon-Richard Oncology Centre of the Dr. Georges-L.-Dumont University Hospital Centre. **\$83,000**

EMPLOYEES AND RETIREES DEVOTED TO THEIR COMMUNITY

National Bank is proud to have active employees and retired employees who are deeply committed to causes they care about, and believes in supporting their community involvement.

That is why, nine years ago, the 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.

In 2013, the André-Bérard Award, the highest honour granted under the program, went to Chantal Thériault, Branch Manager, Edmundston, New Brunswick. Ms. Thériault has volunteered for more than 10 years at the *Fondation Saint-Louis-Maillet*, which offers financial assistance to students registered at the Edmundston campus of the *Université de Moncton*.

National Bank will be reviewing its volunteer recognition program in 2014 to provide even more support to young people across the country and give them every opportunity to grow and thrive.



Louis Vachon, President and Chief Executive Officer; André Bérard, former President; and Chantal Thériault, Manager of the Edmundston branch and winner of the 2013 André-Bérard Award.

SUPPORTING DIVERSITY

National Bank continued to support the lesbian, gay, bisexual and transgender community in 2013.

- For the seventh consecutive year, we hosted the Fight Against Homophobia Award ceremony, organized by *Fondation Émergence*. The 2013 award was given to Quebec singer-songwriter Ariane Moffatt.
- 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.

THE NATIONAL BANK COLLECTION GETS AROUND!

Since spring 2013, many works of art have been loaned to museums and other institutions for a variety of exhibitions. This initiative, which will continue through 2014, will see a total of 21 pieces travel all over the country and even south of the border.

The Bank also has a permanent art gallery in its Montreal flagship branch. This gallery hosts exhibitions on various themes, featuring works from the National Bank Collection.

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.

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.

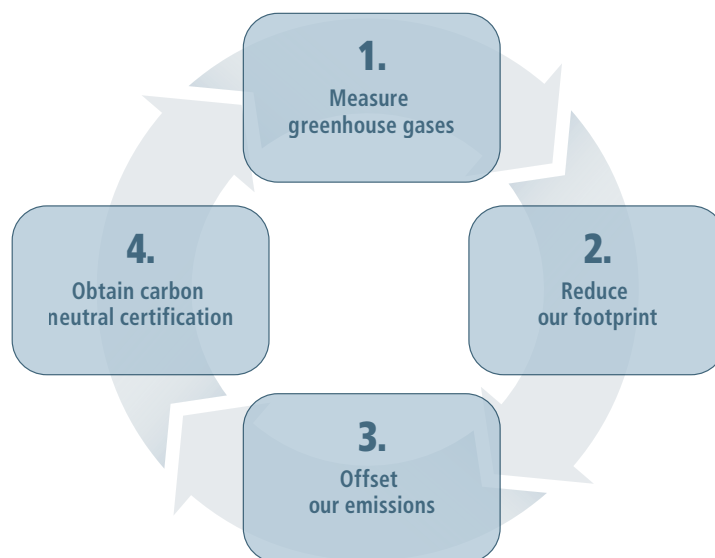
MANAGING OUR CARBON FOOTPRINT OPTIMALLY

National Bank strives to understand and reduce the impact of its activities on the environment as much as possible. Over the years, we have introduced a variety of voluntary measures for calculating, reducing and offsetting our greenhouse gas (GHG) emissions. Together, these measures form one of the most rigorous and comprehensive carbon footprint management processes in the industry.

MEASURING GREENHOUSE GASES

The Bank took the first step in managing its carbon footprint in 2008 by measuring its GHG emissions and submitting the data to the Carbon Disclosure Project, an international organization committed to preventing climate change. We have since repeated this exercise every year, working closely with several well-known consulting firms to ensure our methods are in line with current best practices. In 2013, for the third year, the Bank met the requirements for quantification and reporting of GHG emissions stipulated in ISO standard 14064-1:2006.

National Bank's carbon footprint management process



To support its rigorous GHG inventory process, the Bank recently acquired high-performance tools that allow it to quantify its emissions with greater accuracy. The data presented by the Bank this year are the first results using this even-more inclusive process.

The Bank's GHG emissions in fiscal 2012 were estimated at 15,393 tons of CO₂.

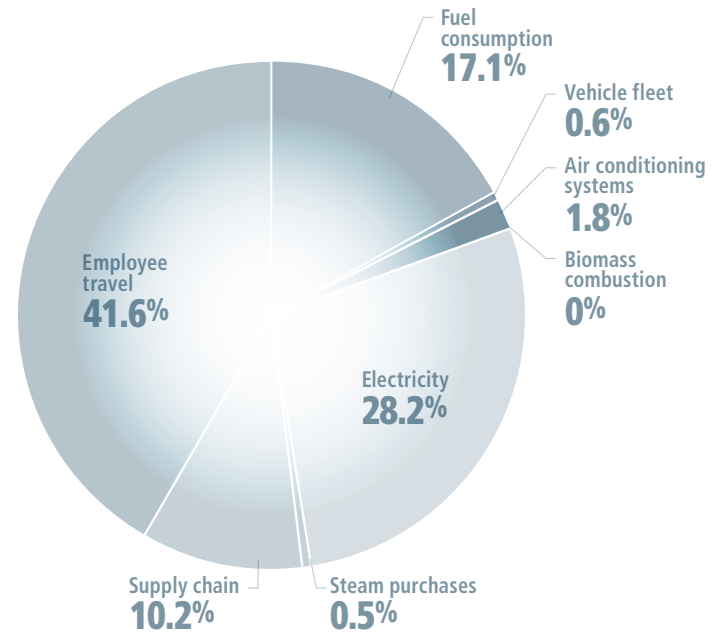
REDUCING OUR FOOTPRINT

Through the use of advanced inventory taking, the Bank is aware of the volume and source of its emissions and is firmly committed to reducing them. To do so, it has taken a series of environmentally friendly actions.

Energy efficiency program

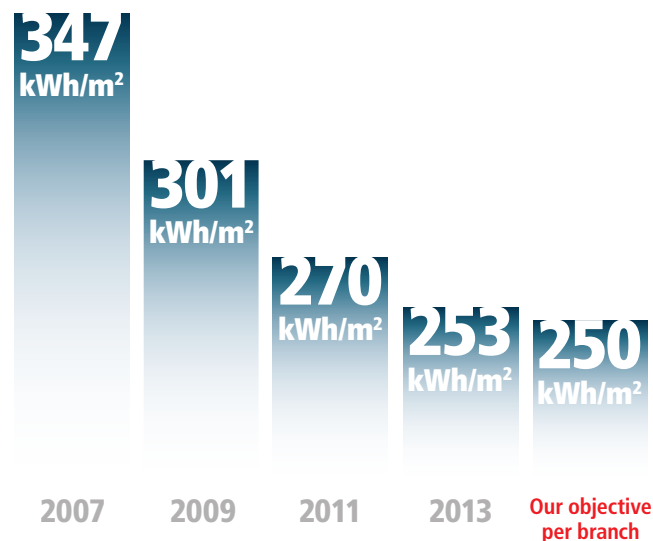
As most of our emissions stem from our energy consumption, we invest a great deal of effort each year in various energy efficiency measures. Our widely acclaimed energy efficiency program for branches is undoubtedly one of our most promising initiatives to date. Launched in 2007, the program owes its success to an innovative web-controlled remote interface that allows us to centrally manage heating, cooling and ventilation in branches and cut annual energy consumption by as much as 30%. Under the program, we have invested more than \$6 million to improve the energy efficiency of some 270 buildings, including the 13 branches integrated this past year. This has generated savings of millions of kWh of electricity, thousands of cubic metres of natural gas and thousands of litres of fuel oil.

Breakdown of GHG emissions
(fiscal 2012)



Energy intensity

Total consumption per m² – branch network



Screening of suppliers' practices

National Bank recently implemented a process to screen its suppliers' practices in order to ensure a more sustainable and responsible approach to sourcing. Over time, the Bank will be able to assess its suppliers' impact on the environment and society and, consequently, will be in a better position to consider these aspects when making purchasing decisions.

LEED certification for our buildings

The Bank has also garnered recognition for the eco-friendly features of its buildings. It has even aligned its design standards with LEED certification standards and systematically applies them to all new projects. The Bank has received LEED certification for two of its buildings and is working on additional certification projects.

OFFSETTING OUR EMISSIONS

After doing its utmost to measure and reduce its GHGs as much as possible, the Bank proudly achieved carbon neutrality in 2011.

Under an innovative agreement with the Sobeys supermarket chain, the Bank agreed to purchase 15,000 tons of certified carbon credits annually until 2015, which will enable it to fully offset its GHG emissions. The proceeds of the sale of carbon credits will be used to further improve the supermarket chain's refrigeration systems.



OBTAINING CARBON NEUTRALITY CERTIFICATION

The Bank's commitment to carbon footprint management recently earned it Carbon CareTM certification from Enviro-access. After several years of hard work and a rigorous carbon audit, we became the first-ever recipient of this distinction.

As part of our open communications with stakeholders, each year we 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



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.

PARTNERSHIP WITH THE NATURE CONSERVANCY OF CANADA

Since 2012, the Bank has been providing financial support to preserve representative areas of the Green Mountains in Quebec's Eastern Townships region, which is home to a 6,800-hectare nature reserve with 55 km of hiking trails.

National Bank's contributions have already helped fund a number of activities geared to promoting and preserving plant life and wildlife as well as improvements to visitor infrastructures.

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.



The Bank's Board Room

ENSURING COMPLIANCE WITH THE CODE OF CONDUCT AND ETHICS

We have integrated strict 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 expected from our employees, officers and, insofar as the provisions of the Code apply to them, the members of the Board of Directors. Interns, consultants, contract workers, agents and service providers must also read the Code and pledge to follow the provisions applicable to their activities. It allows us to make sure that our standards concerning information confidentiality, 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, when they are hired, all employees are required to take an online course on the ethical and behavioural standards in effect at National Bank, sign an undertaking to comply with the Code and renew their commitment annually.

ADOPTING LEADING-EDGE GOVERNANCE STANDARDS

Our governance architecture consists of clearly defined structures, policies and processes. A statement of our corporate governance practices and the mandates of the Board of Directors and its committees are available 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 business environment in which it operates.

www.nbc.ca > About us > Governance

The Board is meticulous in carrying out its mandate of overseeing the management of the Bank. In the past fiscal year, the Board's four committees (Audit Committee, Conduct Review and Corporate Governance Committee, Human Resources Committee and Risk Management Committee) addressed a number of issues, including risk management as well as acquisition opportunities and strategic transactions for the Bank.

The four committees also continued to improve our governance practices, in particular by following the corporate governance guideline of the Office of the Superintendent of Financial Institutions, which resulted in, among other things, the Audit and Risk Management Committee being separated into two committees.

MEETING APPLICABLE REQUIREMENTS

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

Accordingly, National Bank improved its risk disclosure in its Annual Report to satisfy the 32 recommendations made by the Enhanced Disclosure Task Force (EDTF) created by the Financial Stability Board (FSB). The Bank spared no effort to ensure overall compliance with these recommendations by October 31, 2013 and continues to enhance its risk disclosure in accordance with best practices. Further similar changes 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 global banking system more resilient and maintain confidence in the markets.

FOSTERING DIALOGUE

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

In order to encourage 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 24, 2013, 96.57% of shareholders voted in favour of the approach proposed by the Bank's Board of Directors.

Shareholders, clients and others 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, in 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 for the Bank. Of the 16 directors serving on the Board on October 31, 2013, 14 are independent, including the Chairman of the Board and the members of each of the Board's committees.

The Board is also working on succession planning to ensure its continuity and enhance its diversity. It keeps an up-to-date list of qualified male and female candidates 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 as well as a taxpayer, loan provider and major purchaser of goods and services. As such, it is a significant contributor to the economy.

The Bank strives to maximize the economic benefits for the communities it serves 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.

Our economic contribution by the numbers:



Despite the uncertainty that marked the last year, National Bank turned in solid results for fiscal 2013 and remained 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 totalled \$1,491 million in 2013, representing diluted earnings of \$8.41 per share.
- Return on common shareholders' equity was 19.7%.
- Total revenues reached \$5,242 million.

Detailed financial information is available on our website, specifically in our 2013 Annual Report.

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

Geographic breakdown of employees (as at October 31, 2013)

Province	Full-time	Part-time	Total
Newfoundland and Labrador	—	—	—
Prince Edward Island	12	9	21
Nova Scotia	3	33	36
New Brunswick	165	130	295
Quebec	11,285	4,320	15,605
Ontario	1,265	846	2,111
Manitoba	22	78	100
Saskatchewan	17	45	62
Alberta	109	170	279
British Columbia	71	265	336
Total Canada	12,949	5,896	18,845
Outside Canada	108	0	108
Temporary employees	293	445	738
Total	13,350	6,341	19,691

Income and other taxes paid or payable in Canada (in thousands of dollars; as at October 31, 2013)

	Income taxes ⁽¹⁾	Capital taxes ⁽¹⁾	Other taxes ⁽²⁾
Federal	136,621	—	56,246
Provincial			
Newfoundland and Labrador	—	—	38
Prince Edward Island	220	73	240
Nova Scotia	76	7	572
New Brunswick	565	1,273	4,004
Quebec	76,170	3,146	236,886
Ontario	14,137	—	31,951
Manitoba	474	435	1,067
Saskatchewan	310	1,668	589
Alberta	2,459	—	1,727
British Columbia	1,721	—	4,103
Yukon, Northwest Territories and Nunavut	—	—	—
Total – Provincial	96,132	6,602	281,177
Total – Federal and Provincial	232,753	6,602	337,423

⁽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 2013, National Bank approved just over \$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 (\$)	2,601.5	a	b	a	c	a	c	2,601.5
Number of clients	862	a	b	a	c	a	c	862
Prince Edward Island								
Total authorized (\$)	777.5	1,933.9	2,188.9	6,845.5	c	44,681.3	c	56,427.1
Number of clients	207	38	14	19	c	19	c	297
Nova Scotia								
Total authorized (\$)	2,311.9	a	3,034.2	a	c	a	c	5,346.1
Number of clients	850	a	18	a	c	a	c	868
New Brunswick								
Total authorized (\$)	9,280.8	24,710.8	43,321.3	51,750.9	84,145.9	183,938.6	998,530.0	1,395,678.2
Number of clients	1,536	512	268	151	120	89	43	2,719
Quebec								
Total authorized (\$)	325,543.7	662,100.5	1,023,282.7	1,567,169.8	2,384,694.3	7,391,890.3	22,581,776.9	35,936,458.2
Number of clients	50,052	13,644	6,560	4,429	3,408	3,636	862	82,591
Ontario								
Total authorized (\$)	23,956.1	47,437.1	82,641.8	132,919.0	226,180.9	804,086.4	5,974,124.6	7,291,345.8
Number of clients	3,533	974	527	375	323	376	232	6,340
Manitoba								
Total authorized (\$)	587.1	1,389.4	3,823.0	9,970.5	19,360.7	79,751.6	473,571.6	588,453.8
Number of clients	79	31	23	26	27	37	21	244
Saskatchewan								
Total authorized (\$)	445.1	1,198.9	3,217.8	7,230.7	15,676.6	89,535.9	719,961.3	837,266.3
Number of clients	57	24	20	20	22	40	23	206
Alberta								
Total authorized (\$)	1,905.9	5,683.9	12,601.7	22,938.9	21,779.2	136,762.0	7,848,088.1	8,049,759.7
Number of clients	240	116	82	71	34	58	159	760
British Columbia								
Total authorized (\$)	686.4	2,973.1	6,938.1	14,290.2	24,348.9	70,681.5	771,174.7	891,092.8
Number of clients	81	65	45	40	35	31	25	322
Grand total								
Total authorized (\$)	368,096.0	747,427.5	1,181,049.4	1,813,115.4	2,776,186.5	8,801,327.6	39,367,227.1	55,054,429.5
Number of clients	57,497	15,404	7,557	5,131	3,969	4,286	1,365	95,209

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, Prince Edward Island and Nova Scotia have been added to the figures for New Brunswick and to that province's total.

The figures shown have been rounded to one decimal point.

Branches opened and closed (as at October 31, 2013)

Branches closed

Quebec

10-9880 boul. Leduc, Brossard
4084 rue Sainte-Catherine Ouest, Montreal
662 rue Victoria, La Baie
265 boul. Henri-Bourassa Est, Montreal
4265 boul. Sainte-Rose, Laval
2109 boul. Casavant Ouest, Saint-Hyacinthe
100-1300 boul. du Mi-Vallon, Sherbrooke
5271 rue Frontenac, Lac-Mégantic (temporary)
1000 boul. De Montarville, Boucherville

New Brunswick

18 Antonine-Maillet Ave., Moncton

Ontario

468 Dundas Street West, Toronto

Branches opened

Quebec

120-9160 boul. Leduc, Brossard
1246 av. Greene, Westmount
170 6 ^e Rue, La Baie
451 boul. Henri-Bourassa Est, Montreal
5952 boul. Arthur-Sauvé, Laval
3380 boul. Laframboise, Saint-Hyacinthe
21-4857 boul. Bourque, Sherbrooke
155-3560 rue Laval, Lac-Mégantic (temporary)
500 rue D'Avaugour, Boucherville
221-1A boul. des Grives, Gatineau

New Brunswick

346 Elmwood Drive, Moncton

Ontario

501 Dundas Street West, Toronto
3189 Wonderland Road South, London

ABMs removed or added (as at October 31, 2013)

ABMs removed

Quebec

6605 boul. de la Rive-Sud, Lévis
5245 boul. Cousineau, Saint-Hubert
1 carrefour Alexander-Graham-Bell, Montreal
753 boul. Arthur-Sauvé, Saint-Eustache
415 boul. Jessop, Rimouski
10555 av. du Bois-de-Boulogne, Montreal
6 av. de la Gare, Saint-Sauveur
974 rue Sainte-Catherine Ouest, Montreal
8595 boul. Saint-Laurent, Montreal
2350 boul. Édouard-Montpetit, Montreal
202 av. Saint-Michel, Saint-Raymond
186 av. de la Cathédrale, Rimouski
10-9880 boul. Leduc, Brossard (2 ABMs)

4084 rue Sainte-Catherine Ouest, Montreal
662 rue Victoria, La Baie (2 ABMs)
4265 boul. Sainte-Rose, Laval (2 ABMs)
265 boul. Henri-Bourassa Est, Montreal (2 ABMs)
1300 boul. du Mi-Vallon, Sherbrooke (2 ABMs)
2109 boul. Casavant Ouest, Saint-Hyacinthe (2 ABMs)
5271 rue Frontenac, Lac-Mégantic (temporary)
1000 boul. De Montarville, Boucherville (2 ABMs)

Ontario

500 Highway 7 East, Richmond Hill
468 Dundas Street West, Toronto

ABMs added

Quebec

810 route Jean-Gauvin, Cap-Rouge
290 rue De Montigny, Saint-Jérôme
5800 boul. des Laurentides, Laval
318 rue de la Visitation, Saint-Charles-Borromée
2400 rue Saint-Hubert, Jonquière
7500 boul. des Galeries-d'Anjou, Montreal
221-1A boul. des Grives, Gatineau (2 ABMs)
1400 boul. De Maisonneuve Ouest, Montreal
1450 rue Guy, Montreal
1515 rue Sainte-Catherine Ouest, Montreal
7141 rue Sherbrooke Ouest, Montreal
7200 rue Sherbrooke Ouest, Montreal
155-3560 rue Laval, Lac-Mégantic (temporary)
455 rue Fournier, Saint-Jérôme
3380 boul. Laframboise, Saint-Hyacinthe (3 ABMs)
10650 boul. Pie-IX, Montreal
1300 rue Saint-Jean-Baptiste, Montreal
1124 boul. Iberville, Repentigny
305 boul. de la Seigneurie Ouest, Blainville
6875 boul. Saint-Laurent, Montreal

777 rue Notre-Dame, Berthierville
2355 rue De Salaberry, Montreal
6425 boul. Léger, Montreal
375 boul. Jessop, Rimouski
500 rue D'Avaugour, Boucherville (3 ABMs)
120-9160 boul. Leduc, Brossard (2 ABMs)
1246 av. Greene, Westmount
170 6 ^e Rue, La Baie (2 ABMs)
5952 boul. Arthur-Sauvé, Laval (3 ABMs)
451 boul. Henri-Bourassa Est, Montreal (2 ABMs)
21-4857 boul. Bourque, Sherbrooke (2 ABMs)

New Brunswick

346 Elmwood Drive, Moncton

Ontario

3189 Wonderland Road South, London (2 ABMs)
501 Dundas Street West, Toronto

ABMs temporarily installed

Quebec

3409 rue Laval, Lac-Mégantic (2 ABMs)	Mobile branch	July 7 to 17, 2013
3409 rue Laval, Lac-Mégantic	Mobile branch	July 8 to 17, 2013
Uniprix Stadium - 285 rue Faillon Ouest, Montreal (2 ABMs)	Rogers Cup – Montreal	August 2 to 11, 2013
124 rang Charlotte, Saint-Liboire (2 ABMs)	Expo Champs farm show	August 27 to 29, 2013
Espace 400 ^e - 100 quai St-André, Quebec City (2 ABMs)	Bordeaux wine festival	August 29 to Sept. 1, 2013

Ontario

Rexall Centre - York University, 1 Shoreham Drive, Toronto (3 ABMs)	Rogers Cup – Toronto	August 3 to 11, 2013
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Subsidiaries* of National Bank (as at October 31, 2013)

List of subsidiaries covered under the Public Accountability Statements Regulation and the Finance Entity Regulations

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

NBF Securities (USA) Corp.

National Bank Financial Ltd.

– NBF Financial Services Inc.

– NBF Financial Services Ltd.

Innocap Investment Management Inc.

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 2013 Social Responsibility Report is published by 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 National Bank's Annual Report and provides an overview of our activities during the year in support of all our stakeholders.

Unless otherwise indicated, it presents the content related to the activities of National Bank and its main subsidiaries (listed on p. 31) without specific limitations. The Social Responsibility Report is prepared by the Public Affairs team with the contribution of dozens of experts, then reviewed and approved by members of Management in the organization's many different sectors.

Our reporting is guided by the main Level C indicators of the Global Reporting Initiative's G3 Guidelines. An index of the indicators used is available on our website (nbc.ca/socialresponsibility). The Bank's Social Responsibility Report can be found in the Global Reporting Initiative database (database.globalreporting.org).

The Social Responsibility Report is part of the Bank's ongoing dialogue with its various stakeholders, including clients, employees,

community partners, shareholders, suppliers, interest groups and regulatory authorities. We engage our stakeholders primarily on the basis of communities of interest and communities of purpose both in a business context and to contribute to socioeconomic development. These interactions are an important tool for assessing and mitigating the risks related to our activities, particularly as they enable us to conduct various impact analyses.

Unless otherwise indicated, the information presented refers to fiscal 2013 (November 1, 2012 to October 31, 2013) and is subsequent to the public accountability statement for fiscal 2012, published in March 2013. None of the information contained in the report was materially changed or restated during 2013.

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

Également disponible en français.

Comments regarding this document may be submitted to our Public Affairs Department by e-mail at pa@nbc.ca or by calling 514-394-6097.

Fighting money laundering and terrorist financing

The methods and techniques used by criminal organizations to launder money and finance terrorist activities have become increasingly sophisticated over the years.

Wanting not only to comply with legal and regulatory requirements but also to play an active role in the fight against these crimes, the Bank continues to implement measures to discourage money laundering and terrorist financing.

It has put in place an anti-money laundering/anti-terrorist financing program, policies, procedures, and a continuous training program that covers such requirements as screening individuals and entities with whom the Bank must refuse to do business, identifying clients, record-keeping, our duty of diligence vis-à-vis clients, and reporting obligations.

The Risk Management Committee monitors these procedures on behalf of the Bank's Board of Directors.

1st quarter 2014

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