

2014 Aggregate Quantitative Information on Compensation

National Bank has published this information in accordance with the Basel II Pillar 3 disclosure requirements and as a complement to the qualitative information disclosed in its 2015 Management Proxy Circular.

The Bank's 2015 Circular describes the role and responsibilities of the Human Resources Committee with respect to the compensation policies and programs for all employees, including those who may have a material impact on the Bank's risk profile.

The Circular explains how the Bank ensures that variable compensation is closely tied to prudent risk management and financial performance. It also describes the approval and management process for the compensation policies and programs, as well as the features of the various programs, including the performance criteria, the parameters for creating the deferred portion of annual bonuses, the decision-making framework for adjusting annual variable compensation envelopes and the potential clawback of previously granted compensation.

The tables below recap the compensation granted to the Bank's executive officers and identified employees, namely, those who may have a material impact on the Bank's risk profile beyond the risk management framework and the established ranges. This category, which was established with the Risk Management sector using specific criteria, consists of the Senior Vice-Presidents of the Bank and its subsidiaries as well as the officers and certain specialists at Financial Markets.

The amounts are in millions of dollars.

| Compensation granted | 2014 | | 2013 | |
|---|--------------------|----------------------|--------------------|----------------------|
| | Executive officers | Identified employees | Executive officers | Identified employees |
| Number of employees | 10 | 138 | 10 | 86 |
| Fixed compensation | | | | |
| Cash (not deferred) | \$4.7 | \$26.7 | \$4.4 | \$18.2 |
| Variable compensation | | | | |
| Cash (not deferred) | \$10.4 | \$104.3 | \$8.5 | \$73.5 |
| Shares and share-linked instruments (deferred) | \$16.7 | \$68.7 | \$15.0 | \$47.2 |
| Total | \$31.8 | \$199.6 | \$27.9 | \$138.9 |

| Deferred compensation | 2014 | | 2013 | |
|---------------------------------|--------------------|----------------------|--------------------|----------------------|
| | Executive officers | Identified employees | Executive officers | Identified employees |
| Outstanding | | | | |
| Vested | \$80.0 | \$65.3 | \$55.5 | \$41.4 |
| Non vested | \$58.2 | \$161.6 | \$44.0 | \$123.7 |
| Paid out during the year | \$13.7 | \$62.8 | \$10.0 | \$50.4 |

The total amount of outstanding deferred compensation is subject to implicit adjustments (fluctuations in share price) and explicit adjustments (clawbacks for the reasons listed in the Management Proxy Circular). However, no deferred compensation granted during a previous year but vested in 2014 has been implicitly or explicitly reduced after the fact.

| Other compensation | 2014 | | | | 2013 | | | |
|---------------------------|---------------------|--------|-----------------------|--------|---------------------|--------|-----------------------|--------|
| | Executive officers* | | Identified employees* | | Executive officers* | | Identified employees* | |
| | Number | Amount | Number | Amount | Number | Amount | Number | Amount |
| Signing bonuses | 0 | - | 8 | \$5.0 | 1 | * | 1 | * |
| Guaranteed bonuses | 0 | - | 5 | \$5.7 | 0 | - | 3 | * |

* Information on the bonuses granted for a small number of employees (i.e., <5) is not presented but has been disclosed confidentially to the Office of the Superintendent of Financial Institutions. Information on the severance payments has also been disclosed confidentially to the Office of the Superintendent of Financial Institutions.