NATIONAL BANK

PRESS RELEASE — FOURTH QUARTER 2014

National Bank releases its results for the fourth quarter and year-end of 2014

- **Record results for fiscal 2014**
- **Quarterly dividend increases 4% to 50 cents per share**

The unaudited financial information presented herein is based on the unaudited interim condensed consolidated financial statements for the fourth quarter of fiscal 2014 and on the audited annual consolidated financial statements for the year ended October 31, 2014 and has been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and set out in the CPA Canada Handbook. All amounts are presented in Canadian dollars.

MONTREAL, December 5, 2014 – Excluding specified items, National Bank posted record net income of $1,593 million in 2014, up 12% from $1,423 million in 2013, and its 2014 diluted earnings per share stood at $4.48 versus $4.04 in 2013. The specified items are described on page 2. For the year ended October 31, 2014, net income totalled $1,538 million, up 2% from $1,512 million in 2013, and diluted earnings per share stood at $4.32, remaining stable versus $4.31 in 2013.

Excluding specified items, the Bank's 2014 fourth-quarter net income totalled $407 million, up 15% from $353 million in the fourth quarter of 2013, and its diluted earnings per share stood at $1.14 for the quarter ended October 31, 2014, up 14% from $1.00 in the same quarter of 2013. Fourth-quarter net income totalled $330 million, up 3% from $320 million in the same quarter of 2013, and fourth-quarter diluted earnings per share stood at $0.91 compared to $0.90 in the same quarter of fiscal 2013.

"National Bank delivered excellent fourth-quarter results and had a record year in 2014, posting solid growth across all its business segments. In the fourth quarter of this year, the Wealth Management and Financial Markets segments were especially impressive, achieving year-over-year earnings growth of more than 20%," said Louis Vachon, President and Chief Executive Officer. "As shown by our 2014 results, our sustained investment in employee training, risk management and improvements to technology platforms and processes will continue to drive our future success," added Mr. Vachon.

Highlights Excluding Specified Items[(1)]:

- Record net income of $1,593 million for 2014, up 12% from $1,423 million last year;
- Diluted earnings per share of $4.48 for 2014, up 11% from $4.04 in 2013;
- Fourth-quarter net income of $407 million, up 15% from $353 million in the same quarter of 2013;
- Fourth-quarter diluted earnings per share of $1.14, up 14% from $1.00 in the same quarter of 2013;
- Return on equity of 17.9% for the fourth quarter of 2014.

Highlights:

- Net income of $1,538 million for 2014, up 2% from $1,512 million last year;
- Diluted earnings per share of $4.32 for 2014 versus $4.31 in 2013;
- Fourth-quarter net income of $330 million, up 3% from $320 million in the same quarter of 2013;
- Fourth-quarter diluted earnings per share of $0.91 compared to $0.90 in the same quarter of 2013;
- Return on equity of 14.3% for the fourth quarter of 2014;
- As at October 31, 2014, the Common Equity Tier 1 (CET1) capital ratio under Basel III was 9.2% versus 8.7% as at October 31, 2013.

Financial Indicators

	Results excluding specified items [(1)]	Results Q4 2014	Results excluding specified items [(1)]	Results 2014
Growth in diluted earnings per share	14 %	1 %	11 %	– %
Return on common shareholders' equity	17.9 %	14.3 %	18.5 %	17.9 %
Dividend payout ratio	42 %	43 %	42 %	43 %
CET1 capital ratio under Basel III		9.2 %		9.2 %

(1) See the Financial Reporting Method section on page 2.

FINANCIAL REPORTING METHOD

(millions of Canadian dollars, except per share amounts)

When assessing its results, the Bank uses certain measures that do not comply with IFRS, as issued by the IASB and set out in the CPA Canada Handbook. Securities regulators require companies to caution readers that net income and other measures adjusted using non-IFRS criteria are not standard under IFRS and cannot be easily compared with similar measures used by other companies.

Financial Information

	Quarter ended October 31			Year ended October 31		
	2014	2013[1]	% Change	2014	2013[1]	% Change
Excluding specified items						
Personal and Commercial	178	166	7	698	661	6
Wealth Management	80	62	29	308	225	37
Financial Markets	150	124	21	609	533	14
Other	(1)	1		(22)	4	
Net income excluding specified items	407	353	15	1,593	1,423	12
Items related to holding restructured notes[2]	(3)	(2)		54	104	
Acquisition-related items[3]	(10)	(10)		(45)	(28)	
Funding valuation adjustment[4]	(9)	–		(9)	–	
Litigation provisions[5]	(10)	–		(10)	–	
Impairment losses on intangible assets[6]	(45)	–		(45)	(29)	
Severance pay[7]	–	(9)		–	(9)	
Vacant premises[8]	–	(12)		–	(12)	
Item related to employee benefits[9]	–	–		–	26	
Reversal of provisions for income tax contingencies[10]	–	–		–	37	
Net income	330	320	3	1,538	1,512	2
Diluted earnings per share excluding specified items[11]	$ 1.14	$ 1.00	14	$ 4.48	$ 4.04	11
Items related to holding restructured notes[2]	(0.01)	–		0.16	0.33	
Acquisition-related items[3]	(0.03)	(0.03)		(0.13)	(0.09)	
Funding valuation adjustment[4]	(0.02)	–		(0.02)	–	
Litigation provisions[5]	(0.03)	–		(0.03)	–	
Impairment losses on intangible assets[6]	(0.14)	–		(0.14)	(0.09)	
Severance pay[7]	–	(0.03)		–	(0.03)	
Vacant premises[8]	–	(0.04)		–	(0.04)	
Item related to employee benefits[9]	–	–		–	0.08	
Reversal of provisions for income tax contingencies[10]	–	–		–	0.11	
Diluted earnings per share[11]	$ 0.91	$ 0.90	1	$ 4.32	$ 4.31	–
Return on common shareholders' equity						
Including specified items	14.3 %	15.8 %		17.9 %	20.1 %	
Excluding specified items	17.9 %	17.6 %		18.5 %	18.9 %	

(1) Certain amounts have been adjusted to reflect changes in accounting standards. See Note 2 to the audited annual consolidated financial statements for the year ended October 31, 2014.

(2) During the quarter ended October 31, 2014, the Bank recorded $4 million in financing costs ($3 million net of income taxes) related to holding restructured notes (2013: $3 million, $2 million net of income taxes). During the year ended October 31, 2014, the Bank recorded $18 million in financing costs ($13 million net of income taxes) related to holding restructured notes (2013: $9 million, $7 million net of income taxes) as well as $92 million in revenues ($67 million net of income taxes) to reflect a rise in the fair value of the notes (2013: $151 million, $111 million net of income taxes).

(3) During the quarter ended October 31, 2014, the Bank recorded $14 million in charges ($10 million net of income taxes) related to the Wealth Management acquisitions (2013: $14 million, $10 million net of income taxes). These charges consisted mostly of retention bonuses and integration charges; they also include the Bank's share in the integration costs incurred by Fiera and its share in the integration costs, impairment losses and intangible asset amortization related to the Bank's interest in TMX. For the year ended October 31, 2014, these charges stood at $60 million ($45 million net of income taxes) and, for the same period in 2013, they stood at $39 million ($28 million net of income taxes).

(4) During the quarter ended October 31, 2014, the Bank recorded $13 million in charges ($9 million net of income taxes) to reflect the funding valuation adjustment (FVA), which is an adjustment to the fair value determination of OTC derivatives that are uncollateralized (including not fully collateralized) and that includes market implied funding costs and benefits.

(5) During the quarter ended October 31, 2014, the Bank recorded $14 million in litigation provisions ($10 million net of income taxes).

(6) During the quarter ended October 31, 2014, the Bank recorded $62 million ($45 million net of income taxes) in intangible asset impairment losses on technology developments (2013: $39 million, $29 million net of income taxes).

(7) During the year ended October 31, 2013, the Bank recorded $12 million in severance pay ($9 million net of income taxes) related to the optimization of certain activities.

(8) During the quarter ended October 31, 2013, the Bank recorded $16 million in charges ($12 million net of income taxes) related to vacant premises.

(9) During the year ended October 31, 2013, the Bank recorded a $35 million decrease in past service costs ($26 million net of income taxes) to reflect changes to the provisions of its pension plans and other post-retirement plans subsequent to changes in accounting standards.

(10) During the year ended October 31, 2013, the Bank reversed $37 million in tax provisions following a revaluation of contingent income tax liabilities.

(11) Reflecting the stock dividend paid on February 13, 2014. See Note 18 to the audited annual consolidated financial statements for the year ended October 31, 2014.

HIGHLIGHTS

(millions of Canadian dollars)

	Quarter ended October 31			Year ended October 31		
	2014	2013[1]	% Change	2014	2013[1]	% Change
Operating results						
Total revenues	**$ 1,364**	$ 1,251	9	**$ 5,464**	$ 5,151	6
Net income	**330**	320	3	**1,538**	1,512	2
Net income attributable to the Bank's shareholders	**312**	304	3	**1,469**	1,449	1
Return on common shareholders' equity	**14.3 %**	15.8 %		**17.9 %**	20.1 %	
Earnings per share[2] *(dollars)*						
Basic	**$ 0.92**	$ 0.91	1	**$ 4.36**	$ 4.34	–
Diluted	**0.91**	0.90	1	**4.32**	4.31	–
EXCLUDING SPECIFIED ITEMS[3]						
Operating results						
Total revenues	**$ 1,383**	$ 1,260	10	**$ 5,419**	$ 5,021	8
Net income	**407**	353	15	**1,593**	1,423	12
Net income attributable to the Bank's shareholders	**389**	337	15	**1,524**	1,360	12
Return on common shareholders' equity	**17.9 %**	17.6 %		**18.5 %**	18.9 %	
Efficiency ratio[4]	**58.4 %**	60.7 %		**58.6 %**	60.2 %	
Earnings per share[2] *(dollars)*						
Basic	**$ 1.15**	$ 1.01	14	**$ 4.53**	$ 4.07	11
Diluted	**1.14**	1.00	14	**4.48**	4.04	11
Per common share[2] *(dollars)*						
Dividends declared	**$ 0.48**	$ 0.44		**$ 1.88**	$ 1.70	
Book value				**25.76**	22.97	
Share price						
High	**53.88**	45.24		**53.88**	45.24	
Low	**48.16**	38.86		**41.60**	36.18	
Close	**52.68**	45.24		**52.68**	45.24	

	As at October 31, 2014	As at October 31, 2013[1]	% Change
Financial position			
Total assets	**$ 205,429**	$ 188,219	9
Loans and acceptances	**106,169**	97,338	9
Deposits	**119,883**	102,111	17
Equity attributable to common shareholders	**8,484**	7,487	13
Capital ratios under Basel III[5]			
Common Equity Tier 1 (CET1)	**9.2 %**	8.7 %	
Tier 1[6]	**12.3 %**	11.4 %	
Total[6]	**15.1 %**	15.0 %	
Impaired loans, net of total allowances	**(118)**	(183)	
As a % of average loans and acceptances	**(0.1) %**	(0.2) %	
Assets under administration and under management	**338,305**	258,010	31
Total personal savings	**172,414**	157,515	9
Earnings coverage	**8.98**	8.72	
Asset coverage	**5.24**	3.76	
Other information			
Number of employees	**19,955**	19,691	1
Number of branches in Canada	**452**	453	–
Number of banking machines	**935**	937	–

(1) Certain amounts have been adjusted to reflect changes in accounting standards. See Note 2 to the audited annual consolidated financial statements for the year ended October 31, 2014.
(2) Reflecting the stock dividend paid on February 13, 2014. See Note 18 to the audited annual consolidated financial statements for the year ended October 31, 2014.
(3) See the Financial Reporting Method section on page 2.
(4) The efficiency ratio is presented on a taxable equivalent basis. For additional information, see the Segment Disclosures section on page 15.
(5) The ratios are calculated using the "all-in" methodology, and the October 31, 2013 ratios have not been adjusted to reflect changes in accounting standards.
(6) The ratios as at October 31, 2014 include the redemption of the Series 16 preferred shares on November 15, 2014.

FINANCIAL ANALYSIS

The figures for the year ended October 31, 2013 have been adjusted to reflect accounting standard changes that took effect on November 1, 2013 and were applied retrospectively. This press release should be read in conjunction with the 2014 Annual Report (which includes the audited annual consolidated financial statements and MD&A) available on the Bank's website at nbc.ca. Additional information about the Bank, including the *Annual Information Form*, can be obtained from the Bank's website at nbc.ca and SEDAR's website at sedar.com.

Consolidated Results

Total Revenues

For the fourth quarter of 2014, the Bank's total revenues amounted to $1,364 million, a $113 million or 9% year-over-year increase. Excluding the specified items related to holding restructured notes, related to the Wealth Management acquisitions and related to the funding valuation adjustment applied to certain derivative financial instruments, total revenues grew 10%. Net interest income was up, driven by higher personal and commercial loans and deposits, by greater brokerage business volume and by the net interest income from trading activities. And non-interest income increased by 11%, mainly due to business growth in the Wealth Management segment (including the acquisition of TD Waterhouse Institutional Services (TDWIS) completed during the quarter ended January 31, 2014) as well as to financial market fees and gains on available-for-sale securities.

For fiscal 2014, total revenues amounted to $5,464 million versus $5,151 million in 2013, a 6% increase driven partly by 4% growth in net interest income owing to higher loans and deposits. Excluding specified items, non-interest income rose $282 million or 11%, mainly due to revenue growth related to Wealth Management's activities; to solid performance by the Financial Markets segment, including the revenues from the Credigy Ltd. subsidiary; and to gains on the disposal of securities by the Treasury and Insurance sectors. The non-interest income growth was tempered by lower credits fees and insurance revenues.

Provisions for Credit Losses

For the fourth quarter of 2014, the Bank recorded $57 million in provisions for credit losses, $9 million more than in the same quarter of 2013, mainly because of losses on business loans.

For fiscal 2014, the Bank recorded $208 million in provisions for credit losses, $27 million more than in 2013, mostly because higher provisions for credit losses on personal and commercial loans were taken in 2014, particularly for consumer loans and loans to businesses. Provisions for credit losses on corporate banking loans were nil in 2014, whereas substantial recoveries had been recorded in 2013.

As at October 31, 2014, gross impaired loans totalled $486 million, a $91 million increase from October 31, 2013, mainly attributable to the addition of a few loans in the Personal and Commercial segment. Impaired loans represented 7.1% of the tangible capital adjusted for allowances as at October 31, 2014 compared to 6.5% as at October 31, 2013. As at October 31, 2014, the allowances for credit losses exceeded gross impaired loans by $118 million versus $183 million as at October 31, 2013.

Non-Interest Expenses

For the fourth quarter of 2014, non-interest expenses stood at $929 million, up $102 million from the same quarter of 2013. Excluding the specified items recorded during the quarter ended October 31, 2014, which totalled $88 million versus $36 million in the same quarter of 2013, non-interest expenses stood at $841 million, a 6% year-over-year increase stemming essentially from higher compensation and employee benefits, particularly variable compensation, related to revenue growth across all segments as well as to the TDWIS acquisition.

For fiscal 2014, non-interest expenses rose $217 million or 7% year over year. Excluding the specified items recorded for fiscal years 2014 and 2013, non-interest expenses were up $156 million or 5%. This increase came mainly from business growth that led to higher variable compensation, from the TDWIS acquisition and from the promotion of banking services.

Income Taxes

For the fourth quarter of 2014, income taxes stood at $48 million compared to $56 million in the same quarter of 2013. The fourth-quarter effective income tax rate was 13% versus 15% in the same quarter of 2013. This variance came from a higher amount of tax-exempt income from securities in the fourth quarter of 2014.

For the year ended October 31, 2014, the effective income tax rate was 16% compared to 14% in 2013, as a $37 million reversal of provisions for income tax contingencies had been recorded in fiscal 2013.

Results by Segment

The Bank carries out its activities in three business segments. For presentation purposes, other operating activities are grouped in the *Other* heading. Each segment is distinguished by service offered, type of clientele and marketing strategy.

Personal and Commercial

(millions of Canadian dollars)	Quarter ended October 31			Year ended October 31		
	2014	2013[1]	% Change	2014	2013[1]	% Change
Operating results						
Net interest income	**436**	410	6	**1,699**	1,615	5
Non-interest income	**254**	248	2	**994**	977	2
Total revenues	**690**	658	5	**2,693**	2,592	4
Non-interest expenses	**390**	382	2	**1,532**	1,497	2
Contribution	**300**	276	9	**1,161**	1,095	6
Provisions for credit losses	**56**	50	12	**205**	192	7
Income before income taxes	**244**	226	8	**956**	903	6
Income taxes	**66**	60	10	**258**	242	7
Net income	**178**	166	7	**698**	661	6
Net interest margin	**2.21 %**	2.24 %		**2.24 %**	2.28 %	
Average interest-bearing assets	**78,227**	72,686	8	**75,963**	70,718	7
Average assets	**83,659**	78,696	6	**81,516**	76,696	6
Average deposits	**43,995**	41,667	6	**43,022**	40,294	7
Average loans and acceptances	**83,248**	78,332	6	**81,129**	76,344	6
Net impaired loans	**246**	181	36	**246**	181	36
Net impaired loans as a % of average loans and acceptances	**0.3 %**	0.2 %		**0.3 %**	0.2 %	
Efficiency ratio	**56.5 %**	58.1 %		**56.9 %**	57.8 %	

(1) Certain amounts have been adjusted to reflect changes in accounting standards. See Note 2 to the audited annual consolidated financial statements for the year ended October 31, 2014.

In the Personal and Commercial segment, net income totalled $178 million in the fourth quarter of 2014, up 7% from $166 million in the fourth quarter of 2013. Fourth-quarter total revenues increased by $32 million year over year owing to higher net interest income, which rose $26 million, and to higher non-interest income, which rose $6 million. The higher net interest income came from growth in personal and commercial loan and deposit volumes, tempered by a narrowing of the net interest margin, which was 2.21% in the fourth quarter of 2014 versus 2.24% in the same quarter of 2013, mainly because of smaller deposit margins.

Personal Banking's total revenues rose $22 million, mainly due to higher loan volume, particularly mortgage loans and home equity lines of credit, to internal commission revenues generated by the distribution of Wealth Management products and to credit card revenues. Commercial Banking's total revenues rose $10 million owing mainly to growth in loan and deposit volumes. This increase was partly offset by smaller net interest margins on deposits and a decrease in credit fees on bankers' acceptances.

The segment's fourth-quarter non-interest expenses increased by $8 million or 2% year over year, mainly due to employee compensation. At 56.5%, the efficiency ratio for the fourth quarter of 2014 improved by 1.6 percentage points compared to the same quarter of 2013.

The segment's fourth-quarter provisions for credit losses were $56 million, $6 million more than in the same quarter of 2013. This slight increase came mainly from higher provisions for credit losses on commercial loans.

For fiscal 2014, the Personal and Commercial segment posted net income of $698 million, up $37 million or 6% from $661 million in 2013. The segment's total revenues grew 4% year over year. Personal Banking's total revenues rose 5% for the same reasons as those provided for the quarter, and a 3% increase in Commercial Banking's total revenues came mainly from growth in loan and deposit volumes, partly offset by lower credit fees on bankers' acceptances as clients moved towards credit products. The segment's contribution rose $66 million or 6% and its provisions for credit losses were $13 million higher than in 2013, particularly because of the growth in both personal and commercial loan volume. At 56.9% in 2014, the efficiency ratio improved by 0.9 percentage points when compared to fiscal 2013.

Wealth Management

(millions of Canadian dollars)	Quarter ended October 31			Year ended October 31		
	2014	2013(1)	% Change	2014	2013(1)	% Change
Operating results excluding specified items(2)						
Net interest income	80	70	14	315	272	16
Fee-based revenues	178	143	24	663	559	19
Transaction-based and other revenues	82	78	5	354	319	11
Total revenues	340	291	17	1,332	1,150	16
Non-interest expenses	231	207	12	913	841	9
Contribution	109	84	30	419	309	36
Provisions for credit losses	1	1	–	3	3	–
Income before income taxes	108	83	30	416	306	36
Income taxes	28	21	33	108	81	33
Net income excluding specified items	80	62	29	308	225	37
Specified items after income taxes(2)	(10)	(7)		(38)	(24)	
Net income	70	55	27	270	201	34
Average assets	10,146	9,166	11	10,400	9,080	15
Average deposits	24,153	22,111	9	24,225	21,477	13
Average loans and acceptances	8,448	7,997	6	8,287	7,862	5
Net impaired loans	2	2		2	2	
Efficiency ratio excluding specified items(2)	67.9 %	71.1 %		68.5 %	73.1 %	

(1) Certain amounts have been adjusted to reflect changes in accounting standards. See Note 2 to the audited annual consolidated financial statements for the year ended October 31, 2014.
(2) See the Financial Reporting Method section on page 2.

In the Wealth Management segment, net income excluding specified items totalled $80 million in the fourth quarter of 2014 versus $62 million in the same quarter of 2013, a strong 29% increase that came mainly from favourable synergies generated by the segment's recent transactions and from growth in assets under administration and under management. Excluding specified items, the segment's total revenues amounted to $340 million in 2014, rising 17% from $291 million in 2013. Accounting for 27% of this revenue growth was the acquisition of TD Waterhouse Institutional Services (TDWIS) completed in the first quarter of 2014, while all of the segment's other businesses made solid gains, particularly National Bank Financial Wealth Management and Private Wealth 1859.

Excluding specified items, all relating to the acquisitions of recent years, fourth-quarter non-interest expenses stood at $231 million compared to $207 million in the same quarter of 2013, a 12% increase that came mainly from the higher variable compensation associated with growth in the segment's business activity as well as from the TDWIS acquisition. At 67.9%, the efficiency ratio for the fourth quarter of 2014 improved by 3.2 percentage points compared to the same quarter of 2013.

For fiscal 2014, Wealth Management's net income excluding specified items totalled $308 million, up 37% from $225 million in 2013. The segment's 2014 total revenues amounted to $1,332 million compared to $1,150 million in 2013, and non-interest expenses stood at $913 million versus $841 million last year. These revenue and non-interest expense changes were driven by the same factors provided for the fourth quarter. At 68.5%, the efficiency ratio improved by 4.6 percentage points when compared to the same period of 2013.

Financial Markets

(taxable equivalent basis)[1]
(millions of Canadian dollars)

	Quarter ended October 31			Year ended October 31		
	2014	2013[2]	% Change	2014	2013[2]	% Change
Operating results excluding specified items[3]						
Trading activity revenues						
Equities	77	78	(1)	333	288	16
Fixed-income	34	49	(31)	218	237	(8)
Commodities and foreign exchange	27	19	42	83	88	(6)
	138	146	(5)	634	613	3
Financial market fees	80	60	33	301	257	17
Gains on available-for-sale securities, net	15	2		27	26	4
Banking services	67	61	10	250	234	7
Other	80	62	29	315	248	27
Total revenues	380	331	15	1,527	1,378	11
Non-interest expenses	174	164	6	692	664	4
Contribution	206	167	23	835	714	17
Provisions for (recoveries of) credit losses	–	(2)		–	(14)	
Income before income taxes	206	169	22	835	728	15
Income taxes	56	45	24	226	195	16
Net income excluding specified items	150	124	21	609	533	14
Specified items[1]	(9)	–		(9)	–	
Net income	141	124	14	600	533	13
Non-controlling interests	4	2		14	8	
Net income attributable to the Bank's shareholders	137	122	12	586	525	12
Average assets	89,366	88,685	1	86,198	87,063	(1)
Average deposits	12,713	7,690	65	11,109	6,541	70
Average loans and acceptances (Corporate only)	8,481	7,252	17	8,070	7,081	14
Efficiency ratio excluding specified items[3]	45.8 %	49.5 %		45.3 %	48.2 %	

(1) For additional information, see the Segment Disclosures section on page 15.
(2) Certain amounts have been adjusted to reflect changes in accounting standards. See Note 2 to the audited annual consolidated financial statements for the year ended October 31, 2014.
(3) See the Financial Reporting Method section on page 2.

In the Financial Markets segment, net income excluding specified items totalled $150 million for the fourth quarter of 2014, up $26 million from $124 million in the same quarter of 2013. On a taxable equivalent basis, the segment's total revenues amounted to $380 million versus $331 million in the fourth quarter of 2013 owing mainly to financial market fees and other revenues. Trading activity revenues posted year-over-year declines in equities and fixed-income business, whereas commodities and foreign exchange business activity was up 42%. Financial market fees were up owing to greater equity issuances in the markets. The segment's fourth-quarter Other revenues grew 29% year over year due to revenues from Credigy Ltd. and to a disposal of portfolios from this subsidiary.

At $174 million for the fourth quarter of 2014, non-interest expenses were up $10 million year over year, particularly because of the higher variable compensation associated with revenue growth. Provisions for credit losses were nil in the fourth quarter of 2014, whereas $2 million in recoveries had been recorded in the same quarter of 2013.

For fiscal 2014, the segment's net income excluding specified items totalled $609 million, up $76 million or 14% from 2013. On a taxable equivalent basis, total revenues amounted to $1,527 million versus $1,378 million in 2013, a $149 million year-over-year increase that was partly due to growth in trading activity revenues, in particular client business in equities. Financial market fees were up thanks to revenues from new issuances. The increase in Other revenues stems from a disposal of an investment and from sustained growth by Credigy Ltd.

The fiscal 2014 non-interest expenses increased year over year mainly due to the higher variable compensation associated with revenue growth. The segment did not record any provisions for credit losses for fiscal 2014, whereas $14 million in recoveries of credit losses had been recorded in 2013.

Other

(millions of Canadian dollars)	Quarter ended October 31		Year ended October 31	
	2014	2013[1]	2014	2013[1]
Operating results excluding specified items[2]				
Net interest income	(82)	(41)	(276)	(225)
Non-interest income	55	21	143	126
Total revenues	(27)	(20)	(133)	(99)
Non-interest expenses	46	38	166	145
Provisions for credit losses	–	(1)	–	–
Income before income taxes	(73)	(57)	(299)	(244)
Income taxes	(72)	(58)	(277)	(248)
Net income excluding specified items	(1)	1	(22)	4
Specified items after income taxes[2]	(58)	(26)	(8)	113
Net income	(59)	(25)	(30)	117
Non-controlling interests	14	14	55	55
Net income attributable to the Bank's shareholders	(73)	(39)	(85)	62
Average assets	29,101	20,454	28,566	20,670

(1) Certain amounts have been adjusted to reflect changes in accounting standards. See Note 2 to the audited annual consolidated financial statements for the year ended October 31, 2014.
(2) See the Financial Reporting Method section on page 2.

For the fourth quarter of 2014, the *Other* heading of segment results posted a $59 million net loss compared to a $25 million net loss in the same quarter of 2013. Excluding specified items, it posted a $1 million net loss as opposed to net income of $1 million in the fourth quarter of 2013. Higher revenues from Treasury were offset by charges related to the promotion of the Bank's brand image.

For fiscal 2014, the *Other* heading of segment results posted a net loss of $30 million as opposed to net income of $117 million in 2013. Excluding specified items, it posted a net loss of $22 million in 2014 as opposed to net income of $4 million in 2013. The year-over-year decline in the 2014 net income was mainly due to lower net revenues from Treasury, to the variable compensation associated with the Bank's sound performance, to technology initiatives and to the promotion of the brand image. The 2014 specified items, net of income taxes, consisted of $54 million ($104 million in 2013) in revenues related to holding restructured notes, net of the financing costs of holding these notes, $45 million ($29 million in 2013) in intangible asset impairment losses, $10 million in litigation provisions, and $7 million ($4 million in 2013) in charges related to the Bank's interest in TMX Group Ltd. For fiscal 2013, the specified items, net of income taxes, had included a $26 million reduction in pension plan and other post-employment plan expense, $21 million in charges related to severance pay and vacant premises, and a $37 million reversal of provisions for income tax contingencies.

Consolidated Balance Sheet

Assets

As at October 31, 2014, the Bank had total assets of $205.4 billion compared to $188.2 billion as at October 31, 2013, a $17.2 billion or 9% increase. Cash and deposits with financial institutions increased by $4.5 billion. Loans totalled $97.8 billion, up 10% from $89.0 billion as at October 31, 2013 and securities purchased under reverse repurchase agreements and securities borrowed rose $3.1 billion as a result of business activities in the Financial Markets segment.

Loans and acceptances

As at October 31, 2014, loans and acceptances increased since October 31, 2013 owing to growth across all credit business, except for customers' liabilities under acceptances, which remained stable as clients moved towards loan products. The following table provides a breakdown of the main loan and acceptance portfolios.

(millions of Canadian dollars)	As at October 31, 2014	As at October 31, 2013
Loans and acceptances		
Consumer loans	28,007	26,064
Residential mortgages	39,300	36,573
Credit card receivables	1,989	1,925
Business and government	37,477	33,354
	106,773	97,916

As at October 31, 2014, loans and acceptances totalled $106.8 billion, an $8.9 billion or 9% increase since October 31, 2013. Compared to a year ago, consumer loans were up 7%, due primarily to home equity lines of credit and personal loans, and residential mortgages also rose 7%. Loans and acceptances to business and government increased by 12% since October 31, 2013, mainly due to corporate and government financing activities and to loans to companies in the energy sector.

Liabilities
As at October 31, 2014, the Bank had total liabilities of $194.9 billion compared to $179.3 billion as at October 31, 2013.

As at October 31, 2014, the Bank's deposit liability stood at $119.9 billion, rising $17.8 billion or 17% from $102.1 billion as at October 31, 2013. The following table provides a breakdown of total personal savings.

(millions of Canadian dollars)	**As at October 31, 2014**	As at October 31, 2013
Balance sheet		
Deposits	**44,963**	42,652
Off-balance-sheet		
Full-service brokerage	**104,525**	94,550
Mutual funds	**18,938**	16,633
Other	**3,988**	3,680
	127,451	114,863
Total	**172,414**	157,515

At $45.0 billion as at October 31, 2014, personal deposits were up $2.3 billion since October 31, 2013 owing essentially to Bank initiatives undertaken to grow this type of deposit. Since the beginning of the fiscal year, personal savings included in assets under administration and under management grew 11% due to acquisition-driven business growth and a rise in stock markets.

Since October 31, 2013, business and government deposits grew $10.3 billion or 18% due to covered bond issuances totalling 2.0 billion euros and to an increase in the cash levels of businesses. At $7.6 billion, deposits from deposit-taking institutions rose $5.2 billion since October 31, 2013, mainly attributable to U.S. government financial institutions. Other financing activities remained relatively stable since October 31, 2013, essentially because the decrease in securities sold under repurchase agreements and securities loaned was offset by an increase in liabilities related to transferred receivables.

Equity
As at October 31, 2014, the Bank's equity was $10.5 billion, up $1.5 billion from $9.0 billion as at October 31, 2013. The increase in equity came mainly from net income attributable to the Bank's shareholders, net of dividends, from a net preferred share issuance and from a $102 million issuance of common shares related to stock options exercised under the stock option plan.

As at November 28, 2014, there were 328,690,507 common shares and 14,658,469 stock options outstanding. For additional information on share capital, see Note 18 to the audited annual consolidated financial statements for the year ended October 31, 2014.

Events After the Balance Sheet Date

Redemption of Subordinated Debt
On October 30, 2014, the Bank announced its intention to redeem, on December 22, 2014, $350 million of notes maturing in December 2019.

Redemption of Preferred Shares
On November 15, 2014, the Bank completed the redemption of all the issued and outstanding non-cumulative Series 16 First Preferred Shares. Pursuant to the share conditions, the redemption price was $25.00 per share plus the periodic dividend declared and unpaid. The Bank redeemed 8,000,000 Series 16 preferred shares for a total amount of $200 million.

CAPITAL MANAGEMENT

The Bank's capital management policy sets out the principles and practices that the Bank incorporates into its capital management strategy and the basic criteria it adopts to ensure that it has sufficient capital at all times and is prudently managing such capital to satisfy any future capital requirements. The Bank has maintained adequate capital ratios through internal capital generation, balance sheet management and issuances and repurchases of shares and subordinated debt securities. For additional information on the capital management framework, see the Capital Management section on pages 54 to 60 of the Bank's 2014 Annual Report.

Other disclosure requirements pursuant to Pillar 3 of the Basel Accord as well as a set of recommendations defined by the Enhanced Disclosure Task Force (EDTF) are presented in the *Supplementary Regulatory Capital Disclosure* report published quarterly and available on the Bank's website at nbc.ca. Furthermore, a complete list of capital instruments and their main features is also available on the Bank's website under *Investor Relations › Capital and Debt Information › Main Features of Regulatory Capital Instruments*.

The CET1 capital ratio, determined using the "all-in" methodology, was 9.2% as at October 31, 2014 versus 8.7% as at October 31, 2013. The increase in the CET1 capital ratio was essentially due to net income, net of dividends, and to the issuance of common shares related mainly to exercised stock options, partly offset by the impacts of the TDWIS acquisition and of the coming into force of the credit valuation adjustment (CVA) charge. The Tier 1 and the total capital ratios determined using the "all-in" methodology were, respectively, 12.3% and 15.1% as at October 31, 2014 versus ratios of 11.4% and 15.0% as at October 31, 2013. The increase in the Tier 1 ratio stems essentially from the above-mentioned factors, a net preferred share issuance and the phase-out of non-qualifying capital instruments, including the redemption of Series 16 preferred shares on November 15, 2014.

The assets-to-capital multiple was 19.0 as at October 31, 2014 versus 18.4 as at October 31, 2013. As of January 2015, this ratio will be replaced by the new Basel III leverage ratio.

CET1 RWA increased by $3.5 billion to total $64.8 billion as at October 31, 2014 compared to $61.3 billion as at October 31, 2013. This increase was mainly due to the coming into force of the CVA charge in 2014 and to organic growth.

Regulatory Capital and Capital Ratios Under Basel III[1]

(millions of Canadian dollars)	As at October 31, 2014	As at October 31, 2013
Regulatory Capital		
Common Equity Tier 1 (CET1)	5,985	5,350
Tier 1[2]	7,983	7,002
Total[2]	9,868	9,186
Risk-weighted assets[3]		
Common Equity Tier 1 (CET1) capital	64,818	61,251
Tier 1 capital	65,074	n.a.
Total capital	65,459	n.a.
Capital ratios		
Common Equity Tier 1 (CET1)	9.2 %	8.7 %
Tier 1[2]	12.3 %	11.4 %
Total[2]	15.1 %	15.0 %
Assets-to-capital multiple	19.0	18.4

n.a. not applicable
(1) Figures are presented on an "all-in" basis except for the assets-to-capital multiple, which is presented in accordance with the transitional requirements for Basel III, and the October 31, 2013 figures have not been adjusted to reflect changes in accounting standards.
(2) Figures as at October 31, 2014 include the redemption of the Series 16 preferred shares on November 15, 2014.
(3) The CVA charge, with its three levels based on chosen ratio, was not included in the RWA calculation as at October 31, 2013.

Dividends

On December 4, 2014, the Board of Directors declared regular dividends on the various series of first preferred shares and a dividend of 50 cents per common share, up 2 cents or 4%, payable on February 1, 2015 to shareholders of record on December 29, 2014.

CONSOLIDATED BALANCE SHEETS

(unaudited) (millions of Canadian dollars)

	As at October 31, 2014	As at October 31, 2013[(1)]
Assets		
Cash and deposits with financial institutions	8,086	3,596
Securities		
At fair value through profit or loss	43,200	44,000
Available-for-sale	9,753	9,744
	52,953	53,744
Securities purchased under reverse repurchase agreements and securities borrowed	24,525	21,449
Loans		
Residential mortgage	39,300	36,573
Personal and credit card	29,996	27,989
Business and government	28,551	24,400
	97,847	88,962
Customers' liability under acceptances	8,926	8,954
Allowances for credit losses	(604)	(578)
	106,169	97,338
Other		
Derivative financial instruments	7,092	5,904
Due from clients, dealers and brokers	861	1,101
Investments in associates and joint ventures	697	684
Premises and equipment	380	404
Goodwill	1,272	1,064
Intangible assets	998	898
Other assets	2,396	2,037
	13,696	12,092
	205,429	188,219
Liabilities and equity		
Deposits		
Personal	44,963	42,652
Business and government	67,364	57,103
Deposit-taking institutions	7,556	2,356
	119,883	102,111
Other		
Acceptances	8,926	8,954
Obligations related to securities sold short	18,167	18,909
Obligations related to securities sold under repurchase agreements and securities loaned	16,780	19,746
Derivative financial instruments	5,721	4,858
Due to clients, dealers and brokers	1,996	2,442
Liabilities related to transferred receivables	17,079	15,323
Other liabilities	4,494	4,497
	73,163	74,729
Subordinated debt	1,881	2,426
Equity		
Equity attributable to the Bank's shareholders		
Preferred shares	1,223	677
Common shares	2,293	2,160
Contributed surplus	52	58
Retained earnings	5,850	5,055
Accumulated other comprehensive income	289	214
	9,707	8,164
Non-controlling interests	795	789
	10,502	8,953
	205,429	188,219

(1) Certain amounts have been adjusted to reflect changes in accounting standards. See Note 2 to the audited annual consolidated financial statements for the year ended October 31, 2014.

CONSOLIDATED STATEMENTS OF INCOME

(unaudited) (millions of Canadian dollars)

	Quarter ended October 31		Year ended October 31	
	2014	2013(1)	2014	2013(1)
Interest income				
Loans	870	830	3,393	3,247
Securities at fair value through profit or loss	198	200	970	942
Available-for-sale securities	65	51	204	201
Deposits with financial institutions	9	6	29	20
	1,142	1,087	4,596	4,410
Interest expense				
Deposits	335	270	1,231	1,015
Liabilities related to transferred receivables	103	98	398	408
Subordinated debt	19	25	76	102
Other	44	102	347	448
	501	495	2,052	1,973
Net interest income	641	592	2,544	2,437
Non-interest income				
Underwriting and advisory fees	104	69	388	301
Securities brokerage commissions	78	80	333	335
Mutual fund revenues	67	56	251	219
Trust service revenues	106	81	388	314
Credit fees	97	92	386	391
Card revenues	35	31	134	121
Deposit and payment service charges	59	61	234	235
Trading revenues (losses)	(20)	38	106	186
Gains (losses) on available-for-sale securities, net	43	12	103	82
Insurance revenues, net	26	27	108	118
Foreign exchange revenues, other than trading	23	22	89	90
Share in the net income of associates and joint ventures	10	5	44	26
Other	95	85	356	296
	723	659	2,920	2,714
Total revenues	1,364	1,251	5,464	5,151
Provisions for credit losses	57	48	208	181
	1,307	1,203	5,256	4,970
Non-interest expenses				
Compensation and employee benefits	512	484	2,051	1,899
Occupancy	54	71	222	237
Technology	187	109	513	458
Communications	17	17	68	68
Professional fees	61	58	227	221
Other	98	88	342	323
	929	827	3,423	3,206
Income before income taxes	378	376	1,833	1,764
Income taxes	48	56	295	252
Net income	330	320	1,538	1,512
Net income attributable to				
Preferred shareholders	10	8	40	40
Common shareholders	302	296	1,429	1,409
Bank shareholders	312	304	1,469	1,449
Non-controlling interests	18	16	69	63
	330	320	1,538	1,512
Earnings per share(2) *(dollars)*				
Basic	0.92	0.91	4.36	4.34
Diluted	0.91	0.90	4.32	4.31
Dividends per common share(2) *(dollars)*	0.48	0.44	1.88	1.70

(1) Certain amounts have been adjusted to reflect changes in accounting standards. See Note 2 to the audited annual consolidated financial statements for the year ended October 31, 2014.
(2) Reflecting the stock dividend paid on February 13, 2014. See Note 18 to the audited annual consolidated financial statements for the year ended October 31, 2014.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited) (millions of Canadian dollars)

	Quarter ended October 31		Year ended October 31	
	2014	2013[1]	**2014**	2013[1]
Net income	**330**	320	**1,538**	1,512
Other comprehensive income, net of income taxes				
Items that may be subsequently reclassified to net income				
Net foreign currency translation adjustments				
Net unrealized foreign currency translation gains (losses) on investments in foreign operations	**1**	24	**47**	51
Impact of hedging net foreign currency translation gains (losses)	**(6)**	(19)	**(44)**	(45)
	(5)	5	**3**	6
Net change in available-for-sale securities				
Net unrealized gains (losses) on available-for-sale securities	**(8)**	20	**85**	49
Net (gains) losses on available-for-sale securities reclassified to net income	**(33)**	(9)	**(89)**	(41)
	(41)	11	**(4)**	8
Net change in cash flow hedges				
Net gains (losses) on derivative financial instruments designated as cash flow hedges	**36**	(2)	**87**	(26)
Net (gains) losses on designated derivative financial instruments reclassified to net income	**(2)**	(4)	**(11)**	(28)
	34	(6)	**76**	(54)
Item that will not be subsequently reclassified to net income				
Revaluations of pension plans and other post-employment benefit plans	**53**	(52)	**23**	104
Share in the other comprehensive income of associates and joint ventures	**–**	(1)	**–**	(1)
Total other comprehensive income, net of income taxes	**41**	(43)	**98**	63
Comprehensive income	**371**	277	**1,636**	1,575
Comprehensive income attributable to				
Bank shareholders	**354**	261	**1,567**	1,512
Non-controlling interests	**17**	16	**69**	63
	371	277	**1,636**	1,575

INCOME TAXES – OTHER COMPREHENSIVE INCOME

The following table presents the income tax expense or recovery for each component of other comprehensive income.

	Quarter ended October 31		Year ended October 31	
	2014	2013[1]	**2014**	2013[1]
Net foreign currency translation adjustments				
Net unrealized foreign currency translation gains (losses) on investments in foreign operations	**1**	1	**3**	2
Impact of hedging net foreign currency translation gains (losses)	**2**	(5)	**(8)**	(11)
	3	(4)	**(5)**	(9)
Net change in available-for-sale securities				
Net unrealized gains (losses) on available-for-sale securities	**(6)**	6	**29**	20
Net (gains) losses on available-for-sale securities reclassified to net income	**(10)**	(3)	**(32)**	(17)
	(16)	3	**(3)**	3
Net change in cash flow hedges				
Net gains (losses) on derivative financial instruments designated as cash flow hedges	**13**	(1)	**32**	(10)
Net (gains) losses on designated derivative financial instruments reclassified to net income	**(1)**	(1)	**(4)**	(10)
	12	(2)	**28**	(20)
Revaluations of pension plans and other post-employment benefit plans	**21**	(17)	**10**	40
	20	(20)	**30**	14

(1) Certain amounts have been adjusted to reflect changes in accounting standards. See Note 2 to the audited annual consolidated financial statements for the year ended October 31, 2014.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(unaudited) (millions of Canadian dollars)

	Year ended October 31	
	2014	2013(1)
Preferred shares at beginning	677	762
Issuance of Series 28, 30 and 32 preferred shares	650	200
Redemption of Series 15, 21, 24 and 26 preferred shares for cancellation	(104)	(285)
Preferred shares at end	1,223	677
Common shares at beginning	2,160	2,054
Issuances of common shares		
Stock Option Plan	102	107
Impact of shares purchased or sold for trading	31	(1)
Common shares at end	2,293	2,160
Contributed surplus at beginning	58	58
Stock option expense	15	16
Stock options exercised	(13)	(13)
Other	(8)	(3)
Contributed surplus at end	52	58
Retained earnings at beginning	5,055	4,091
Net income attributable to the Bank's shareholders	1,469	1,449
Dividends		
Preferred shares	(40)	(40)
Common shares	(616)	(552)
Share issuance expenses	(14)	(4)
Revaluations of pension plans and other post-employment benefit plans	23	104
Impact of a financial liability resulting from a put option written to a non-controlling interest	(27)	–
Other	–	7
Retained earnings at end	5,850	5,055
Accumulated other comprehensive income at beginning	214	255
Net foreign currency translation adjustments	3	6
Net change in unrealized gains (losses) on available-for-sale securities	(4)	8
Net change in gains (losses) on cash flow hedges	76	(54)
Share in the other comprehensive income of associates and joint ventures	–	(1)
Accumulated other comprehensive income at end	289	214
Equity attributable to the Bank's shareholders	9,707	8,164
Non-controlling interests at beginning	789	791
Net income attributable to non-controlling interests	69	63
Distributions to non-controlling interests	(63)	(65)
Non-controlling interests at end	795	789
Equity	10,502	8,953

ACCUMULATED OTHER COMPREHENSIVE INCOME

	As at October 31, 2014	As at October 31, 2013
Accumulated other comprehensive income		
Net foreign currency translation adjustments	(3)	(6)
Net unrealized gains (losses) on available-for-sale securities	168	172
Net gains (losses) on instruments designated as cash flow hedges	123	47
Share in the other comprehensive income of associates and joint ventures	1	1
	289	214

(1) Certain amounts have been adjusted to reflect changes in accounting standards. See Note 2 to the audited annual consolidated financial statements for the year ended October 31, 2014.

SEGMENT DISCLOSURES

(unaudited) (millions of Canadian dollars)

	Personal and Commercial		Wealth Management		Financial Markets		Other		Total	
Quarter ended October 31	2014	2013[1]	2014	2013[1]	2014	2013[1]	2014	2013[1]	2014	2013[1]
Net interest income[2]	436	410	80	70	211	156	(86)	(44)	641	592
Non-interest income	254	248	258	220	156	175	55	16	723	659
Total revenues	690	658	338	290	367	331	(31)	(28)	1,364	1,251
Non-interest expenses	390	382	243	215	174	164	122	66	929	827
Contribution	300	276	95	75	193	167	(153)	(94)	435	424
Provisions for credit losses	56	50	1	1	–	(2)	–	(1)	57	48
Income before income taxes (recovery)	244	226	94	74	193	169	(153)	(93)	378	376
Income taxes (recovery)[2]	66	60	24	19	52	45	(94)	(68)	48	56
Net income	178	166	70	55	141	124	(59)	(25)	330	320
Non-controlling interests	–	–	–	–	4	2	14	14	18	16
Net income attributable to the Bank's shareholders	178	166	70	55	137	122	(73)	(39)	312	304
Average assets	83,659	78,696	10,146	9,166	89,366	88,685	29,101	20,454	212,272	197,001

	Personal and Commercial		Wealth Management		Financial Markets		Other		Total	
Year ended October 31	2014	2013[1]	2014	2013[1]	2014	2013[1]	2014	2013[1]	2014	2013[1]
Net interest income[3]	1,699	1,615	315	272	824	784	(294)	(234)	2,544	2,437
Non-interest income	994	977	1,010	872	690	594	226	271	2,920	2,714
Total revenues	2,693	2,592	1,325	1,144	1,514	1,378	(68)	37	5,464	5,151
Non-interest expenses	1,532	1,497	957	868	692	664	242	177	3,423	3,206
Contribution	1,161	1,095	368	276	822	714	(310)	(140)	2,041	1,945
Provisions for credit losses	205	192	3	3	–	(14)	–	–	208	181
Income before income taxes (recovery)	956	903	365	273	822	728	(310)	(140)	1,833	1,764
Income taxes (recovery)[3]	258	242	95	72	222	195	(280)	(257)	295	252
Net income	698	661	270	201	600	533	(30)	117	1,538	1,512
Non-controlling interests	–	–	–	–	14	8	55	55	69	63
Net income attributable to the Bank's shareholders	698	661	270	201	586	525	(85)	62	1,469	1,449
Average assets	81,516	76,696	10,400	9,080	86,198	87,063	28,566	20,670	206,680	193,509

(1) Certain amounts have been adjusted to reflect changes in accounting standards. See Note 2 to the audited annual consolidated financial statements for the year ended October 31, 2014.

(2) Net interest income and income taxes (recovery) of the business segments are presented on a taxable equivalent basis. Taxable equivalent basis is a calculation method that consists in grossing up certain tax-exempt income by the amount of income tax that would have been otherwise payable. For the business segments as a whole, *Net interest income* was grossed up by $57 million for the quarter ended October 31, 2014 ($43 million in 2013). An equivalent amount was added to *Income taxes (recovery)*. The effect of these adjustments is reversed under the *Other* heading.

(3) For the year ended October 31, 2014, *Net interest income* was grossed up by $219 million ($209 million in 2013). An equivalent amount was added to *Income taxes (recovery)*. The effect of these adjustments is reversed under the *Other* heading.

Personal and Commercial

The Personal and Commercial segment encompasses the banking, financing, and investing services offered to individuals and businesses as well as insurance operations.

Wealth Management

The Wealth Management segment comprises investment solutions, trust services, banking services, lending services and other wealth management solutions offered through internal and third-party distribution networks.

Financial Markets

The Financial Markets segment encompasses banking services, investment banking services and financial solutions for institutional clients. The segment is also active in proprietary trading and investment activities for the Bank.

Other

This heading encompasses Treasury activities, including the Bank's assets and liability management, liquidity management and funding operations, certain non-recurring items and the unallocated portion of corporate services.

INFORMATION FOR SHAREHOLDERS AND INVESTORS

Disclosure of the fourth quarter 2014 results

Conference Call

- A conference call for analysts and institutional investors will be held on Friday, December 5, 2014 at 11:00 a.m. EST.
- Access by telephone in listen-only mode: 1-866-862-3930 or 416-695-7806. The access code is 3390539#.
- A recording of the conference call can be heard until December 14, 2014 by dialing 1-800-408-3053 or 905-694-9451. The access code is 5955220#.

Webcast

- The conference call will be webcast live at nbc.ca/investorrelations.
- A recording of the webcast will also be available on National Bank's website after the call.

Financial Documents

- The *Press Release* (which includes the quarterly consolidated financial statements) is available at all times on National Bank's website at nbc.ca/investorrelations.
- The *Press Release*, the *Supplementary Financial Information*, the *Supplementary Regulatory Capital Disclosure*, and a slide presentation will be available on the Investor Relations page of National Bank's website shortly before the start of the conference call.
- The *2014 Annual Report* (which includes the audited annual financial statements and management's discussion and analysis) will also be available on National Bank's website.
- The *Report to Shareholders* for the first quarter ended January 31, 2015 will be available on February 25, 2015 (subject to approval by the Bank's Board of Directors).

Caution Regarding Forward-Looking Statements

From time to time, the Bank makes written and oral forward-looking statements, such as those contained in the Major Economic Trends and the Outlook for National Bank sections of the 2014 Annual Report, in other filings with Canadian securities regulators, and in other communications, for the purpose of describing the economic environment in which the Bank will operate during fiscal 2015 and the objectives it hopes to achieve for that period. These forward-looking statements are made in accordance with current securities legislation in Canada and the United States. They include, among others, statements with respect to the economy—particularly the Canadian and U.S. economies—market changes, observations regarding the Bank's objectives and its strategies for achieving them, Bank-projected financial returns and certain risks faced by the Bank. These forward-looking statements are typically identified by future or conditional verbs or words such as "outlook," "believe," "anticipate," "estimate," "project," "expect," "intend," "plan," and similar terms and expressions.

By their very nature, such forward-looking statements require assumptions to be made and involve inherent risks and uncertainties, both general and specific. Assumptions about the performance of the Canadian and U.S. economies in 2015 and how that will affect the Bank's business are among the main factors considered in setting the Bank's strategic priorities and objectives and in determining its financial targets, including provisions for credit losses. In determining its expectations for economic growth, both broadly and in the financial services sector in particular, the Bank primarily considers historical economic data provided by the Canadian and U.S. governments and their agencies.

There is a strong possibility that express or implied projections contained in these forward-looking statements will not materialize or will not be accurate. The Bank recommends that readers not place undue reliance on these statements, as a number of factors, many of which are beyond the Bank's control, could cause actual future results, conditions, actions or events to differ significantly from the targets, expectations, estimates or intentions expressed in the forward-looking statements. These factors include strategic risk, credit risk, market risk, liquidity risk, operational risk, regulatory risk, reputation risk, and environmental risk (all of which are described in more detail in the Risk Management section beginning on page 61 of the 2014 Annual Report), general economic environment and financial market conditions in Canada, the United States and certain other countries in which the Bank conducts business, including regulatory changes affecting the Bank's business, capital and liquidity; the situation with respect to the restructured notes of the master asset vehicle (MAV) conduits, in particular the realizable value of underlying assets; changes in the accounting policies the Bank uses to report its financial condition, including uncertainties associated with assumptions and critical accounting estimates; tax laws in the countries in which the Bank operates, primarily Canada and the United States (including the *U.S. Foreign Account Tax Compliance Act* (FATCA)); changes to capital and liquidity guidelines and to the manner in which they are to be presented and interpreted; changes to the credit ratings assigned to the Bank; and potential disruptions to the Bank's information technology systems, including evolving cyber attack risk.

The foregoing list of risk factors is not exhaustive. Additional information about these factors can be found in the Risk Management and Other Risk Factors sections of the 2014 Annual Report. Investors and others who rely on the Bank's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. Except as required by law, the Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time, by it or on its behalf.

The forward-looking information contained in this document is presented for the purpose of interpreting the information contained herein and may not be appropriate for other purposes.

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