

ANALYST AND INVESTOR PRESENTATION Q4-2014 CONFERENCE CALL

Friday, December 5, 2014 - 11:00 am



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 this 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 this 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 this 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.



HIGHLIGHTS

ADJUSTED RESULTS ⁽¹⁾	Q4 14	Q3 14	Q4 13	QoQ	YoY
Net Income ⁽²⁾	407	427	353	(5%)	15%
Diluted EPS	\$1.14	\$1.20	\$1.00	(5%)	14%
Provision for Credit Losses	57	49	48	16%	19%
Return on Equity	17.9%	19.4%	17.6%		
Common Equity Tier 1 Ratio Under Basel III	9.23%	9.08%	8.73%		
Dividend Payout ⁽³⁾	41.5%	41.9%	41.8%		

- Quarterly dividend increase of 4% to \$0.50

(1) Excluding specified items (see Appendix 1, page 23)

(2) Net income before non-controlling interests

(3) Trailing 4 quarters

MID-TERM OBJECTIVES

Excluding specified items

	MID-TERM
Growth in diluted earnings per share	5% to 10%
Return on common shareholders' equity	15% to 20%
Common Equity Tier 1 capital ratio	≥ 9.5%
Dividend payout ratio	40% to 50%

FINANCIAL REVIEW

Ghislain Parent
Chief Financial Officer and
Executive Vice-President, Finance and Treasury



PERFORMANCE SNAPSHOT – Q4 2014

(millions of dollars)

ADJUSTED ⁽¹⁾	Q4 14	Q3 14	Q4 13	QoQ	YoY
Revenues	1,383	1,427	1,260	(3%)	10%
Expenses	841	866	791	(3%)	6%
Net Income	407	427	353	(5%)	15%
Diluted EPS	\$1.14	\$1.20	\$1.00	(5%)	14%
ROE	17.9%	19.4%	17.6%		

REPORTED	Q4 14	Q3 14	Q4 13	QoQ	YoY
Specified Items	(77)	14	(33)		
Net Income	330	441	320	(25%)	3%
Diluted EPS	\$0.91	\$1.24	\$0.90	(27%)	1%
ROE	14.3%	20.1%	15.8%		

(1) Excluding specified items (see Appendix 1, page 23)



PERFORMANCE SNAPSHOT – YTD 2014

(millions of dollars)

ADJUSTED ⁽¹⁾	12M 14	12M 13	YoY
Revenues	5,419	5,021	8%
Expenses	3,303	3,147	5%
Net Income	1,593	1,423	12%
Diluted EPS	\$4.48	\$4.04	11%
ROE	18.5%	18.9%	

REPORTED	12M 14	12M 13	YoY
Specified Items	(55)	89	
Net Income	1,538	1,512	2%
Diluted EPS	\$4.32	\$4.31	
ROE	17.9%	20.1%	

(1) Excluding specified items (see Appendix 1, page 23)

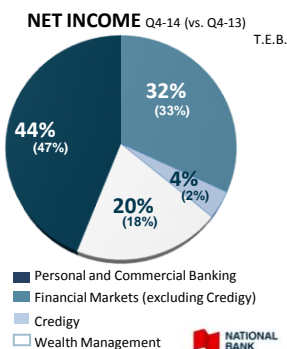
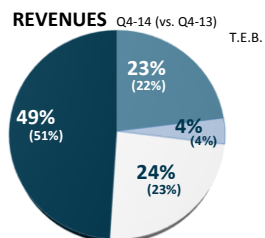
Q4 2014 RESULTS CONFERENCE CALL – December 5, 2014 | 7



INCOME STATEMENT OVERVIEW – Q4 2014 (Excluding specified items)

(millions of dollars)	Q4 14	Q3 14	Q4 13	QoQ	YoY
Revenues	1,383	1,427	1,260	(3%)	10%
P&C Banking	690	696	658	(1%)	5%
Wealth Management	340	335	291	1%	17%
Financial Markets	380	445	331	(15%)	15%
Other Segment	(27)	(49)	(20)		

Net Income	407	427	353	(5%)	15%
P&C Banking	178	190	166	(6%)	7%
Wealth Management	80	75	62	7%	29%
Financial Markets	150	187	124	(20%)	21%
Other Segment	(1)	(25)	1		



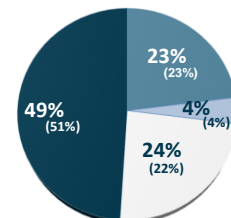
Q4 2014 RESULTS CONFERENCE CALL – December 5, 2014 | 8



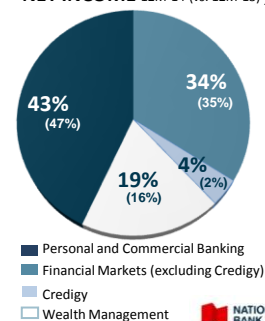
INCOME STATEMENT OVERVIEW – YTD 2014 (Excluding specified items)

(millions of dollars)	12M 14	12M 13	YoY
Revenues	5,419	5,021	8%
P&C Banking	2,693	2,592	4%
Wealth Management	1,332	1,150	16%
Financial Markets	1,527	1,378	11%
Other Segment	(133)	(99)	
Net Income	1,593	1,423	12%
P&C Banking	698	661	6%
Wealth Management	308	225	37%
Financial Markets	609	533	14%
Other Segment	(22)	4	

REVENUES 12M-14 (vs. 12M-13) T.E.B.



NET INCOME 12M-14 (vs. 12M-13) T.E.B.

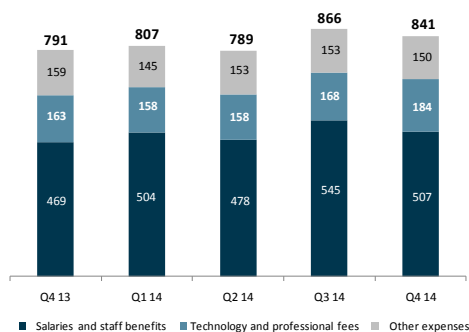


Q4 2014 RESULTS CONFERENCE CALL – December 5, 2014 | 9



NON INTEREST EXPENSES (Excluding specified items)

(millions of dollars)	Q4 14	Q3 14	Q4 13	QoQ	YoY	12M 14	12M 13	YoY
Salaries and Staff Benefits	507	545	469	(7%)	8%	2,034	1,904	7%
Technology and Professional Fees	184	168	163	10%	13%	668	635	5%
Other Expenses	150	153	159	-	(6%)	601	608	-
Non Interest Expense	841	866	791	(3%)	6%	3,303	3,147	5%



- 2014 positive operating leverage: 3%
- 2014 efficiency ratio: 58.6% (60.2% 2013)
- Q4 increase (YoY) in Salaries and Staff Benefits mainly due to variable compensation and TDWIS acquisition
- Q4 increase in Technology and Professional Fees mainly due to strategic investments

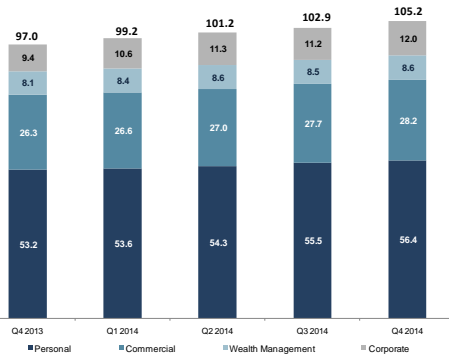
Q4 2014 RESULTS CONFERENCE CALL – December 5, 2014 | 10



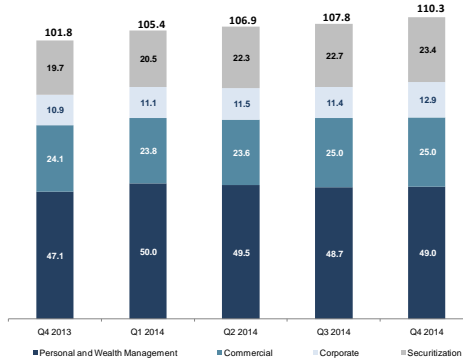
BALANCE SHEET OVERVIEW (Banking Book)

(billions of dollars)

LENDING – LOANS AND BAS (MONTH END BALANCE)



FUNDING – DEPOSITS AND BAS (MONTH END BALANCE)



- YoY growth:
 - Personal and Wealth Management 6%
 - Commercial and Corporate 13%
 - Total 8%

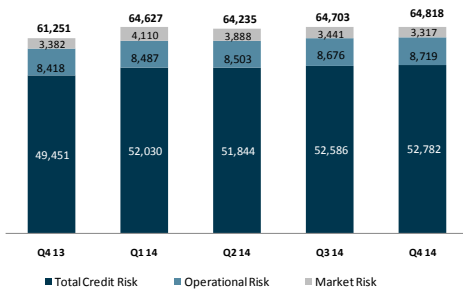
- YoY growth:
 - Personal and Wealth Management 4%
 - Commercial and Corporate 8%
 - Securitization 19%
 - Total 8%

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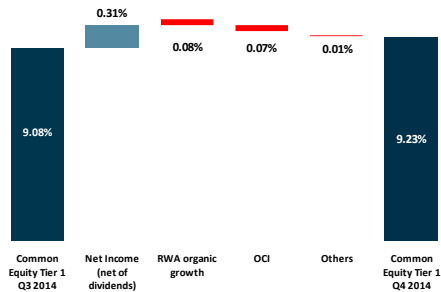


STRONG CAPITAL POSITION

TOTAL RISK-WEIGHTED ASSETS UNDER BASEL III



COMMON EQUITY TIER 1 UNDER BASEL III EVOLUTION (QoQ)



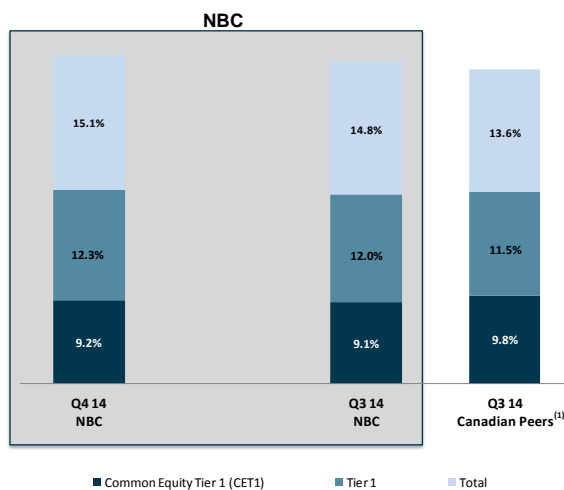
- Common Equity Tier 1 ratio is 9.23% in Q4 14
- Risk-weighted assets at \$64.8B

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COMPARATIVE PERFORMANCE – Capital Ratios

CAPITAL RATIOS UNDER BASEL III



(1) Weighted average ratios of Royal Bank of Canada, Toronto-Dominion Bank, Bank of Nova Scotia, Bank of Montreal and Canadian Imperial Bank of Commerce

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RISK MANAGEMENT

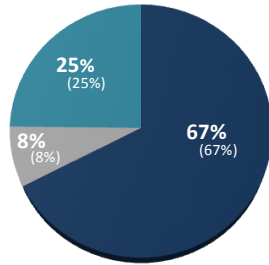
William Bonnell
Executive Vice-President, Risk Management



GLOBAL CREDIT PORTFOLIO

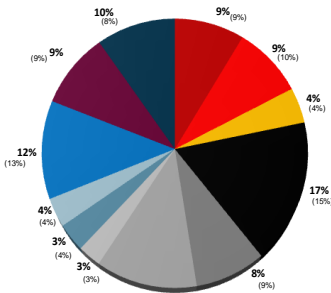
As at October 31, 2014 vs. (October 31, 2013)

PER BUSINESS SEGMENT



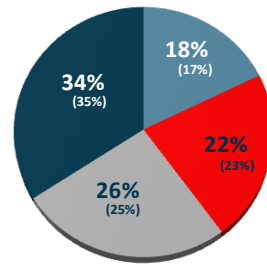
■ Personal Banking and Wealth Management
■ Corporate Banking
■ Commercial Banking

PER INDUSTRY



■ Agriculture and Forestry
■ Construction
■ Manufacturing
■ Transportation
■ Communications
■ Government and Public Services
■ Mining, Oil and Gas
■ Real Estate
■ Wholesale and Retail
■ Finance and Insurance
■ Other Services
■ Other

RETAIL PORTFOLIO COMPOSITION



■ Uninsured Mortgages
■ Other (secured & unsecured)
■ HELOC
■ Insured Mortgages

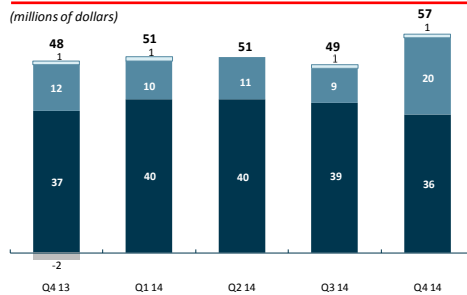
- Global Credit Portfolio mix remained stable
- Well-diversified across industrial sectors

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SPECIFIC PROVISION FOR CREDIT LOSSES

(millions of dollars)



■ Personal Banking
■ Commercial Banking
■ Wealth Management
■ Corporate Banking

RISK PROVISIONING

- Q4 2014: 22 bps
- 2014: 21 bps
- Next 2 quarters target: 20-30 bps

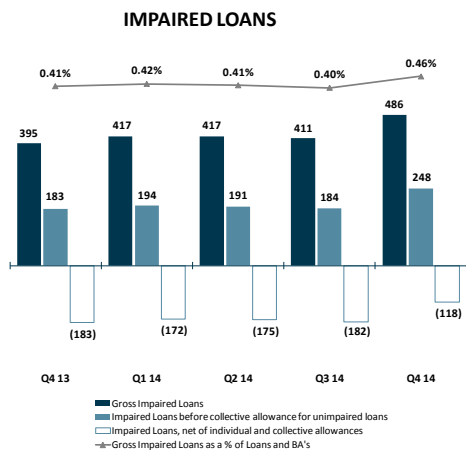
PCLs (in bps)	Q4 14	Q3 14	Q2 14	Q1 14	Q4 13
Personal Banking	26	28	31	30	28
Commercial Banking	29	13	16	15	18
Wealth Management	3	3	-	5	5
Corporate Banking	-	-	-	-	(11)
TOTAL	22	19	21	21	20

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IMPAIRED LOANS AND FORMATION

(millions of dollars)



IMPAIRED LOANS FORMATION⁽¹⁾

(millions of dollars)

	Q4 14	Q3 14	Q2 14	Q1 14	Q4 13
Retail	29	20	15	36	21
Commercial	79	2	15	9	26
Corporate Banking	-	-	-	-	(6)
Wealth Management	2	1	-	1	1
Total	110	23	30	46	42

(1) Formations include new accounts, disbursements, principal repayments, and exchange rate fluctuation and exclude write-offs.

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BUSINESS SEGMENT REVIEW

Jean Dagenais
Senior Vice-President, Finance



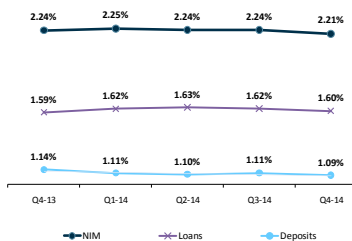
PERSONAL AND COMMERCIAL BANKING

(millions of dollars)	Q4 14	Q3 14	Q4 13	QoQ	YoY
Revenues	690	696	658	(1%)	5%
Personal Banking	322	323	307	-	5%
Commercial Banking	252	253	241	-	5%
Credit Card	90	91	84	(1%)	7%
Insurance	26	29	26	(10%)	-
Operating Expenses	390	388	382	1%	2%
Contribution	300	308	276	(3%)	9%
Provisions for Credit Losses	56	48	50	17%	12%
Net Income	178	190	166	(6%)	7%
Key Metrics (in millions)					
Loans & BAs (avg vol.)	83,248	81,755	78,332	2%	6%
Deposits (avg vol.)	43,995	43,144	41,667	2%	6%
Efficiency Ratio (%)	56.5%	55.7%	58.1%		

HIGHLIGHTS

- Revenues up 5% YoY due to strong volume growth from loans, deposits and mutual funds
- Net Interest Margin down 3 bps QoQ
- Operating leverage ratio at 3%, YoY due to good cost control
- Efficiency ratio improved by 160 bps YoY

P&C MARGINS EVOLUTION⁽¹⁾



(1) Note: NIM is on Earning Assets



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WEALTH MANAGEMENT⁽¹⁾

(millions of dollars)	Q4 14	Q3 14	Q4 13	QoQ	YoY
Revenues	340	335	291	1%	17%
Fee-based	178	170	143	5%	24%
Transaction & Others	82	86	78	(5%)	5%
Net Interest Income	80	79	70	1%	14%
Operating Expenses	231	233	207	(1%)	12%
Contribution	109	102	84	7%	30%
Provision for Credit Losses	1	1	1		
Net Income	80	75	62	7%	29%
Key metrics (billions of dollars)					
Loans & BAs (avg vol.)	8.4	8.3	8.0	1%	6%
Deposits (avg vol.)	24.2	24.0	22.1	-	9%
Asset Under Administration	289	289	217	-	33%
Asset Under Management	50	48	41	2%	20%
Efficiency Ratio (%)	67.9%	69.6%	71.1%		

YOY HIGHLIGHTS

- Net income up 29% YoY (20% excluding TDWIS)
- Strong revenue growth at 17% driven by fee-based revenues up 24% (12% and 23% excluding TDWIS)
- Expense ratio stood at 67.9% an improvement of 320 bps

(1) Excluding specified items



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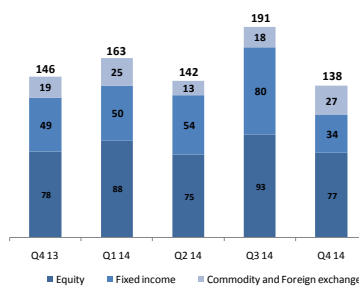
FINANCIAL MARKETS⁽¹⁾

(millions of dollars)	Q4 14	Q3 14	Q4 13	QoQ	YoY
Revenues	380	445	331	(15%)	15%
Trading	138	191	146	(28%)	(5%)
Banking Services	67	64	61	5%	10%
Financial Market Fees	80	94	60	(15%)	33%
Gains on AFS Securities	15	(1)	2		
Other	80	97	62	(18%)	29%
Operating Expenses	174	188	164	(7%)	6%
Contribution	206	257	167	(20%)	23%
Provision for Credit Losses	-	-	(2)		
Net Income	150	187	124	(20%)	21%
Other Metrics					
CVA / DVA (millions of dollars)	6.6	(10.8)	(1.0)		
Proprietary Trading (millions of dollars)	(18.6)	(4.6)	4.1		
Efficiency Ratio (%)	45.8%	42.2%	49.5%		

HIGHLIGHTS

- Strong performance in Corporate and Investment Banking and client related Trading Revenues
- Proprietary trading losses partially offset by gains on AFS securities
- Net Income growth up 14%, including FVA (YoY)

TRADING REVENUES (\$M)



(1) Excluding specified items

APPENDIX

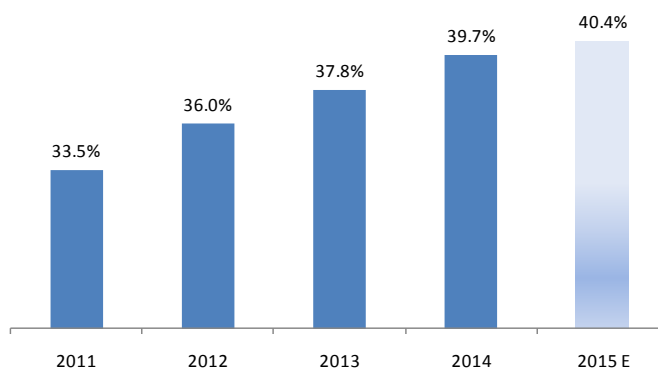
APPENDIX 1 | DETAIL OF SPECIFIED ITEMS

<i>(millions of dollars)</i>	Q4 13	Q1 14	Q2 14	Q3 14	Q4 14
Wealth Management and other acquisitions	(14)	(11)	(12)	(22)	(14)
Funding Valuation Adjustments	-	-	-	-	(13)
Severance Pay	(12)	-	-	-	-
MAV and Other Notes	(3)	40	(4)	42	(4)
Litigation provisions	-	-	-	-	(14)
Leases Termination	(16)	-	-	-	-
Write-off of Intangible Assets	-	-	(1)	-	(62)
Income Before Income Taxes	(45)	29	(17)	20	(107)
Income Taxes	12	(8)	4	(6)	30
Net Income	(33)	21	(13)	14	(77)
EPS Impact	(0.10)	0.06	(0.04)	0.04	(0.23)

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APPENDIX 2 | REVENUES OUTSIDE OF QUEBEC



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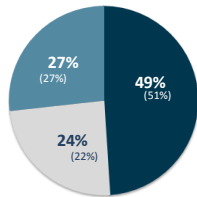
APPENDIX 3 | 2014 INCOME STATEMENT⁽¹⁾

T.E.B.

(millions of dollars)	Personal & Commercial			Wealth Management			Financial Markets		
	2014	2013	YoY	2014	2013	YoY	2014	2013	YoY
Revenues	2,693	2,592	4%	1,332	1,150	16%	1,527	1,378	11%
Operating Expenses	1,532	1,497	2%	913	841	9%	692	664	4%
PCLs	205	192	7%	3	3	-	0	(14)	
Net Income	698	661	6%	308	225	37%	609	533	14%

Revenues

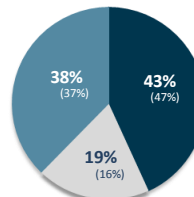
2014 vs. 2013



■ Personal & Commercial ■ Wealth Management ■ Financial Markets

Net Income

2014 vs. 2013



■ Personal & Commercial ■ Wealth Management ■ Financial Markets

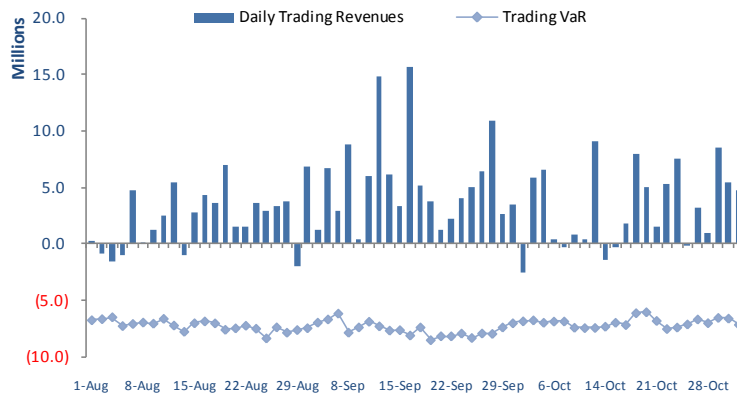
(1) Excluding specified items

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APPENDIX 4 | DAILY TRADING REVENUES VS VAR

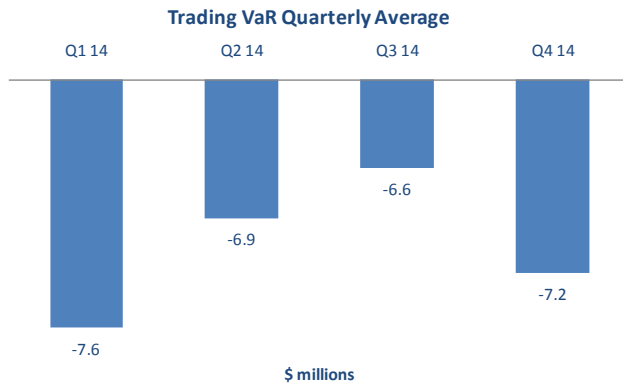
Daily Trading Revenues vs Trading VaR (Q4 2014)
(CAD millions)



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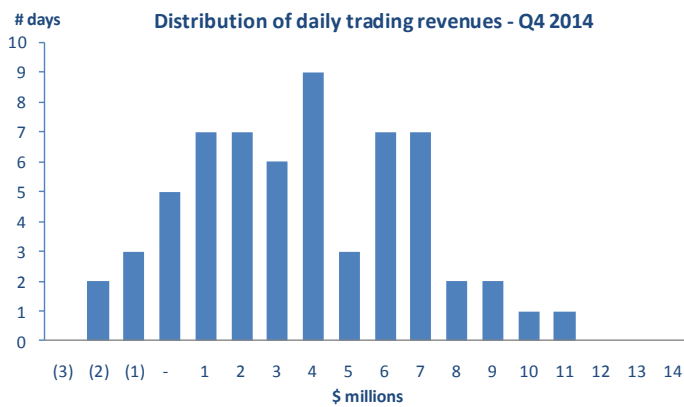
APPENDIX 5 | VaR TREND



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APPENDIX 6 | TRADING P&L RESULTS



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INVESTOR RELATIONS

Financial analysts and investors who want to obtain financial information on the Bank are asked to contact the Investor Relations Department.

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