SPEAKING NOTES - NATIONAL BANK OF CANADA
THIRD QUARTER EARNINGS CONFERENCE CALL
WEDNESDAY, AUGUST 26, 2026

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The forward-looking statements made in this document are based on a number of assumptions and their future outcome is subject to a variety of risk factors, many of which are beyond the Bank's control and the impacts of which are difficult to predict. These risk factors include, among others, the general economic environment and business and financial market conditions in Canada, the United States, and the other countries where the Bank operates, including recession risk; geopolitical and sociopolitical uncertainty; the measures affecting trade relations between Canada and its partners, including the imposition of tariffs and any measures taken in response to such tariffs, as well as the possible impacts on our clients, our operations and, more generally, the economy; exchange rate and interest rate fluctuations; inflation; global supply chain disruptions; higher funding costs and greater market volatility; changes to fiscal, monetary, and other public policies; regulatory oversight and changes to regulations that affect the Bank's business; the Bank's ability to successfully integrate CWB and the undisclosed costs or liability associated with the acquisition; climate change, including physical risks and risks related to the transition to a low-carbon economy; stakeholders engagement and the Bank's ability to meet their expectations on environmental and social issues; the availability of comprehensive and high-quality information from customers and other third parties, including greenhouse gas emissions; the ability of the Bank to identify climate-related opportunities as well as to assess and manage climate-related risks; significant changes in consumer behaviour; the housing situation, real estate market, and household indebtedness in Canada; the Bank's ability to achieve its key short-term priorities and long-term strategies; the timely development and launch of new products and services; the ability of the Bank to recruit and retain key personnel; technological innovation, including open banking and the use of artificial intelligence; heightened competition from established companies and from competitors offering non-traditional services; model risk; changes in the performance and creditworthiness of the Bank's clients and counterparties; the Bank's exposure to significant regulatory issues or litigation; changes made to the accounting policies used by the Bank to report its financial position, including the uncertainty related to assumptions and significant accounting estimates; changes to tax legislation in the countries where the Bank operates; changes to capital and liquidity guidelines as well as to the instructions related to the presentation and interpretation thereof; changes to the credit ratings assigned to the Bank by financial and extra-financial rating agencies; potential disruptions to key suppliers of goods and services to the Bank; third-party risk, including failure by third parties to fulfil their obligations to the Bank; the potential impacts of disruptions to the Bank's information technology systems due to cyberattacks and theft or disclosure of data, including personal information and identity theft; the risk of fraudulent activity; and possible impacts of major events on the economy, market conditions, or the Bank's outlook, including international conflicts, natural disasters, public health crises, and the measures taken in response to these events; and the ability of the Bank to anticipate and successfully manage risks arising from all of the foregoing factors The foregoing list of risk factors is not exhaustive, and the forward-looking statements made in this document are also subject to risks detailed in the Risk Management section of the 2025 Annual Report and may be updated in the quarterly reports to shareholders filed thereafter.

NON-GAAP AND OTHER FINANCIAL MEASURES: The quantitative information in this document has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), unless otherwise indicated, and should be read in conjunction with the Bank's 2025 Annual Report and subsequent reports to shareholders. The Bank uses a number of financial measures when assessing its results and measuring overall performance. Some of these financial measures are not calculated in accordance with GAAP, which are based on IFRS. Presenting non-GAAP financial measures helps readers to better understand how management analyzes results, shows the impacts of specified items on the results of the reported periods, and allows readers to assess results without the specified items if they consider such items not to be reflective of the underlying performance of the Bank's operations. The Bank cautions readers that it uses non-GAAP and other financial measures that do not have standardized meanings under GAAP and therefore may not be comparable to similar measures used by other financial institutions. For additional information relating to the non-GAAP and other financial measures presented in this document and an explanation of their composition, refer to pages 18-23 and 136-139 of the Bank's 2025 Annual Report, which is available at nbc.ca/investorrelations or at sedarplus.ca. Such explanation is incorporated by reference hereto.

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Marianne Ratté – Senior Vice President & Head, Investor Relations
Merci, and welcome, everyone.

We will begin the call with remarks from Laurent Ferreira, President and CEO; Marie Chantal Gingras, CFO; and Jean-Sébastien Grisé, Chief Risk Officer.

Our business heads are also present for the Q&A session, including:
- Julie Lévesque, Personal Banking;
- Judith Ménard, Commercial and Private Banking;
- Nancy Paquet, Wealth Management;
- Étienne Dubuc, Capital Markets; and
- Bill Bonnell, International.

Before we begin, please refer to **Slide 2** of our presentation for forward-looking statements and non-GAAP measures. Management will refer to adjusted results, unless otherwise noted. I will now pass the call to Laurent.

Laurent Ferreira, President & CEO
Merci Marianne, and thank you, everyone, for joining us.

Before turning to our results, let me say a few words about the latest developments affecting Canada.

The Canadian economy has demonstrated resilience over the past 18 months. But the unresolved and escalating trade conflict with the U.S. continues to create economic uncertainty and challenges for businesses across the country.

At this point, it is difficult to forecast outcome, but new tariffs on both sides of the border will impact additional industries, business investments and affordability for consumers. Yesterday's announcement on business and worker support is welcome and should provide relief for those impacted.

Alongside government support, National Bank will be there for affected clients. Ongoing discussions with clients and partners point to one conclusion: Canada is taking the right steps to strengthen the foundations of its economy. And it has fiscal room to continue doing so.

While business confidence and investment are difficult in the current context, I am encouraged by the way governments and business leaders are mobilizing around Canada's economic priorities. And, significant investments are being made in strategic infrastructure across the country.

At National Bank, we are committed to supporting our clients and working with governments and businesses to deploy capital toward re-industrialization, infrastructure, defence and energy. Investments in these sectors are critical to strengthening Canada's productive capacity and supporting durable economic growth across the country.

The re-tooling of the Canadian economy is creating attractive opportunities to deploy our balance sheet.

Energy, power infrastructure and the recent ice-breaker contract announcement are great examples of our country moving in the right direction.

And OSFI's decision to lower the range for the domestic stability buffer provides additional flexibility to support Canadian businesses as they are dealing with a challenging environment.

Turning now to our financial results.

EPS for the third quarter of 2026 was 3 dollars and 39 cents, up 26% year over year. Revenues increased 18%, supported by favourable market conditions across our fee-based businesses and strong balance sheet growth.

We generated positive operating leverage of nearly 6% and our credit performance remained resilient.

Return on equity was 16.8%, continuing the solid performance we have delivered since the beginning of the year.

Our CET1 ratio stood at 13.51%. We maintained a strong capital position while generating strong organic growth and buying back shares.

We intend to complete our current NCIB in September and launch a new one at that time, subject to regulatory approvals.

Our dividend payout currently stands at 38.8%. As per usual practice, we will review the dividend next quarter.

Finally, on the Laurentian Bank transaction. Last quarter, we completed the acquisition of the syndicated loan portfolio, and the Minister of Finance has since approved the acquisition of Laurentian Bank by Fairstone. We expect our acquisition of the retail and SME banking portfolios to be completed by late 2026, as previously announced.

Turning now to our business segments.

P&C Banking generated net income growth of 13% year over year. Results reflect strong growth in personal mortgages and fee-based income, as well as solid balance sheet growth in commercial banking. This was further supported by positive operating leverage of 1% and strong credit performance.

In **Personal Banking**, mortgages grew 14% year over year, continuing the momentum of recent quarters. This was driven by renewal activity, a resilient housing market in Quebec and market share gains. Deposits were stable sequentially, while rising equity markets continued to drive client demand for investment solutions. This contributed to a 7% increase in total personal savings year over year.

In **Commercial Banking**, deposits were up 12% year over year. This reflects the usual seasonal inflows from government clients, as well as higher balances in our commercial business. Commercial loans were up 4% year over year. Activity remained solid within the National Bank-originated loan portfolio, which grew 10% year over year. The CWB legacy book was relatively stable sequentially. Our integration is going well and our pipeline is strengthening.

In **Wealth Management**, net income was $299 million, up 22% year over year. Results reflect strength across the franchise, including higher fee-based income and transaction volumes. Segment performance was further supported by positive operating leverage above 2%.

Capital Markets generated net income of $442 million, up 32% year over year.

Global Markets revenues were $578 million, consistent with the strong performance of recent quarters and supported by healthy client activity. Rising equity markets continued to support structured product originations, while attractive funding opportunities benefited our securities finance business.

Corporate & Investment Banking revenues increased 13% year over year. Corporate Banking loans grew 13% over the same period, reflecting continued opportunities across sectors. Investment Banking maintained its strong performance, supported by M&A activity and continuous investment in our franchise. Favourable market conditions drove solid debt capital market activity across both corporate and government issuers.

Credigy generated net income of $39 million. Revenue growth of 13% year over year was primarily driven by a gain on the sale of a portfolio, while credit performance reflected a build in performing loan provisions and average assets grew 8% year over year. Against a competitive market and pricing backdrop, we remain selective in pursuing deals, as we continue to benefit from recurring flows from established partnerships.

At **ABA Bank**, net income was up 1% year over year, reflecting slower economic growth in the country. Revenue growth of 6% was partly offset by a higher efficiency ratio and PCLs. Loans were up 11% year over year and deposits grew 7% over the same period.

I will now pass the call to Marie Chantal.

Marie Chantal Gingras, CFO & EVP, Finance

Thank you, Laurent, and good morning, everyone.

We delivered strong results in the third quarter. PTPP increased 24% year over year with positive operating leverage of 5.8%. Revenues grew 18% over the same period, with strong performance in Capital Markets, Wealth Management, and Personal Banking, along with solid balance sheet growth and higher Treasury revenues.

Operating leverage was positive across all businesses, supported by solid execution and realized synergies.

Expenses increased 11.7% year over year. This was mainly driven by higher variable compensation, consistent with our strong performance. We also continued to invest in talent and technology, with IT investments focused on supporting business growth and on strengthening our operational resilience. Q3 also included litigation expenses of 11 million dollars. Excluding variable compensation and litigation costs, expenses rose 7.7%.

Moving to **Slide 8**, Net interest income, excluding trading, increased 7% sequentially, benefiting from strong volume growth across P&C Banking, Wealth Management and Corporate Banking, while the higher number of days in Q3 accounted for approximately half of the increase.

All-bank NIM increased 2 basis points quarter over quarter to 2.18%. This reflected a strong contribution from Treasury, which added 3 basis points, as well as the realignment of non-interest income to net interest income between Q2 and Q3, which contributed an additional 4 basis points. These benefits were partly offset by a decline in P&C Banking margin, down 7 basis points sequentially, largely driven by strong growth in personal mortgages and the commercial deposit mix impact reflecting seasonal inflows from government deposits.

As we look forward to Q4, and recognizing an evolving interest rate environment, we expect the P&C margin to remain relatively stable at Q3 levels. Although deposit margins have generally been improving, the benefit is expected to continue to be offset by deposit mix dynamics within commercial banking. As always, balance sheet mix remains an important factor to consider. Our focus remains on growing the franchise with the right balance between volume growth, margins and credit quality.

The all-bank NIM is also expected to remain relatively stable in Q4.

Turning to **Slide 9**. We continued to grow both sides of the balance sheet. Loans increased 11% year over year and 4% quarter over quarter, amid record mortgage originations.

Deposits increased 11% year over year or 1% sequentially. Personal demand deposits were slightly lower quarter over quarter, as customer appetite for investment solutions remained strong, supported by favorable market performance that continued through Q3. Personal term deposits increased by 1.3 billion dollars, primarily driven by structured note issuances. Non-retail deposits increased by 2.9 billion dollars, or 1%, quarter over quarter, mainly within Commercial Banking.

Now moving to capital on **Slide 10**. We ended the quarter with a strong CET1 ratio of 13.51%, supported by capital generation of 41 basis points. RWA expansion resulted in a 19 basis point impact on our CET1 ratio this quarter. Strong organic growth in Credit Risk RWA consumed 35 basis points of capital, led by Corporate Banking. This was partly offset by 15 basis points of benefits from continuous refinements. We repurchased 2.3 million shares in Q3, reducing CET1 by 26 basis points. We remain on track to complete our current NCIB by its September 2026 expiry.

Now, let me turn to the capital optimization initiatives currently underway, beginning with AIRB. We continue to make good progress on the transition of the acquired CWB portfolios to the AIRB framework. We have now completed the required two-quarter regulatory parallel run, which has provided valuable insights into the performance of these portfolios.

More importantly, we have demonstrated regulatory readiness across three of the four pillars of the CMAP framework, namely Integration, Operations and Controls. The work completed to date has also validated our ability to effectively integrate and leverage CWB data within our AIRB framework, strengthening risk insights and supporting the successful integration of the acquired portfolios. The remaining work is primarily concentrated on the Methodology pillar, where we concluded that additional model refinements are needed before seeking regulatory approval, given the current stage of the credit cycle, including higher observed default rates. Accordingly, we have decided to defer this submission into fiscal 2027, reflecting our disciplined model optimization approach.

Based on our updated assessment, we continue to expect a CET1 benefit from the AIRB transition, although the benefit is likely to be more moderate than our previous estimate. Benefits are expected to begin materializing in late 2027 and are now expected to track toward the lower end of our previously communicated range of 35 to 55 basis points. Looking ahead, additional ongoing refinements are expected to generate approximately 20 basis points of additional CET1 capital in Q4 2026. Additionally, we intend to launch a new NCIB upon the current program expiry in September 2026, subject to regulatory approvals.

Overall, our capital position remains strong, supported by a robust CET1 ratio. It continues to provide ample flexibility to advance our strategic priorities, with disciplined RWA management, ongoing optimization initiatives, and sustainable dividend growth. Importantly, it reflects our ongoing focus on disciplined capital deployment, as we remain on track to achieve a 17%+ ROE by 2027, and assuming CET1 ratio converging towards 13% by the end of next year.

Now turning to **Slide 11**. We are making solid progress on realizing synergies from the acquisition of CWB, having captured 238 million dollars of cost and funding synergies to date. We remain on track to realize 270 million dollars by the end of fiscal 2026, representing about $300 million dollars on an annualized basis.

We have also achieved our fiscal 2026 revenue synergy target of 50 million dollars, ahead of schedule. Specifically, 52 million dollars, mostly from fee income, has been realized to date. Further progress on the integration will support incremental synergy capture over time as we continue to target 200 to 250 million dollars in revenue synergies by the end of fiscal 2028.

Following another strong quarter, our year-to-date EPS grew by 16.8%. This was supported by broad-based revenue growth, strong Capital Markets and Wealth management performance, positive operating leverage and ongoing cost discipline. As well, CWB synergies are being realized and credit remained within expectations.

Accordingly, with a year-to-date ROE of 16.7%, we are well on our way to exceed our 16% ROE target for fiscal 2026. We also continue to expect positive operating leverage for the full year, with expense growth moderating in Q4.

Before I turn it over to Jean-Sébastien, I would like to provide an update on how we plan to enhance our segment disclosure as we continue to execute on our strategy.

As we have previously discussed, we are advancing a multi-year plan to strengthen our retail franchise. We intend to provide greater visibility into this strategic plan by year-end 2026. In that context, and to better reflect the CWB revenue synergies, we are introducing select enhancements to our segment reporting beginning in the fourth quarter of 2026, including separate disclosure for Personal Banking and Commercial Banking. We believe this enhanced segmentation will provide investors and analysts with a clearer view of the performance drivers and strategic progress within each business.

We look forward to providing an update by year-end.

With that, I will now turn the call over to Jean-Sébastien.

Jean-Sébastien Grisé, CRO

Merci Marie-Chantal and good morning everyone.

Since our last call, the Canadian economy has demonstrated resilience, with GDP growth and signs of improvement in the labour market. However, the current trade conflict negatively impacts business sentiment and investment outlook. Meanwhile, government measures should provide support on impacted sectors and their employees.

More broadly, geopolitical risks remain elevated, and have impacts on energy prices, inflation and interest rates. At the same time, trade diversification, growth in key resource sectors, and strategic investments in technology and infrastructure should support long-term economic growth. In this complex environment, our resilient portfolio mix, disciplined risk management, and prudent provisioning underpinned our strong credit performance.

Now turning to the third quarter results on **Slide 13**. Total PCL were $246 million or 31 basis points, stable quarter-over-quarter. We added 3 basis points of performing provisions in Q3, mainly reflecting portfolio growth and, a macroeconomic scenario update at Credigy, including higher long-term interest rates that impacted our longer-duration portfolios. These factors were partially offset by model calibration. PCL on impaired loans were $224 million or 28 basis points, up 2 basis points quarter-over-quarter, and within our guidance of 25 to 35 basis points for the full year.

Personal Banking provisions were stable sequentially as higher retail losses were offset by lower credit card losses. Commercial Banking provisions were $25 million lower quarter over quarter, with Q3 provisions mainly reflecting two files. Capital Markets provisions were $49 million higher than Q2, and related to one file in the Oil and Gas sector. At Credigy, provisions increased by $2 million US, resulting from the normal seasoning of residential mortgages and consumer loans. At ABA, impaired provisions were up by $4 million US sequentially to $17 million US, reflecting new formations.

Turning to **Slide 14**. Our total allowances for credit losses were $2.7 billion, representing 5.3 times coverage of our net charge-offs. Our performing allowances were $1.7 billion, demonstrating a strong performing ACL coverage ratio of 2.0 times. We have been building allowances for the past 17 quarters and continue to be comfortable with our prudent and defensive provisioning levels.

Turning to **Slide 15**. Our gross impaired loan ratio was 114 basis points, stable quarter over quarter. GILs excluding USSF&I were 82 basis points, down 2 basis points sequentially. Net formations were 10 basis points, down 3 basis points from Q2. In Commercial Banking, net formations were down 24 basis points to 4 basis points, mainly reflecting two files, partly offset by repayments. In Capital Markets, net formations were driven by one file in the Oil and Gas sector.

In conclusion, we remain pleased with the credit performance in the third quarter and year to date. We continue to expect impaired provisions for fiscal 2026 to be within the 25 to 35 basis point range. In the current context of ongoing uncertainty, we expect unemployment levels to continue to drive retail provisions, while wholesale books remain subject to periodic lumpiness. Overall, our defensive qualities, diversified business mix and prudent allowances position us well as we look ahead.

And with that, I will now turn the call back to the operator for the Q&A.

***** CLOSING REMARKS *****

Laurent Ferreira, President & CEO

Thank you, operator.

To all our clients affected by the current conflict, I just want to say that we’re there to help you and we will keep supporting the Canadian economy.

Thank you again for joining us today.