

INVESTOR PRESENTATION

Third Quarter 2021

August 25, 2021

FORWARD-LOOKING STATEMENTS AND NON-GAAP FINANCIAL MEASURES

Caution Regarding Forward-Looking Statements

From time to time, the Bank makes written forward-looking statements such as those contained in this document, in other filings with Canadian securities regulators, and in other communications. In addition, representatives of the Bank may make forward-looking statements orally to analysts, investors, the media and others. All such statements are made in accordance with applicable securities legislation in Canada and the United States. Forward-looking statements in this document may include, but are not limited to, statements with respect to the economy—particularly the Canadian and U.S. economies—market changes, the Bank's objectives, outlook and priorities for fiscal year 2021 and beyond, the strategies or actions that will be taken to achieve them, expectations for the Bank's financial condition, the regulatory environment in which it operates, the potential impacts of—and the Bank's response to—the COVID-19 pandemic, and certain risks it faces. These forward-looking statements are typically identified by verbs or words such as “outlook”, “believe”, “foresee”, “forecast”, “anticipate”, “estimate”, “project”, “expect”, “intend” and “plan”, in their future or conditional forms, notably verbs such as “will”, “may”, “should”, “could” or “would” as well as similar terms and expressions. Such forward-looking statements are made for the purpose of assisting the holders of the Bank's securities in understanding the Bank's financial position and results of operations as at and for the periods ended on the dates presented, as well as the Bank's vision, strategic objectives and its financial performance targets, and may not be appropriate for other purposes.

By their very nature, these 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 2021, including in the context of the COVID-19 pandemic, and how that will affect the Bank's business are among the main factors considered in setting the Bank's strategic priorities and objectives, including allowances for credit losses. In determining its expectations for economic conditions, both broadly and in the financial services sector in particular, the Bank primarily considers historical economic data provided by the governments of Canada, the United States and certain other countries in which the Bank conducts business, as well as their agencies.

There is a strong possibility that the Bank's express or implied predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that its assumptions may not be confirmed and that its vision, strategic objectives and financial performance targets will not be achieved. The Bank recommends that readers not place undue reliance on forward-looking statements, as a number of factors, many of which are beyond the Bank's control, including the impacts of the COVID-19 pandemic, could cause actual results to differ significantly from the expectations, estimates or intentions expressed in these forward-looking statements. These factors include credit risk, market risk, liquidity and funding risk, operational risk, regulatory compliance risk, reputation risk, strategic risk and environmental and social risk, all of which are described in more detail in the Risk Management section beginning on page 68 of the Bank's 2020 Annual Report, and more specifically, general economic environment and financial market conditions in Canada, the United States and certain other countries in which the Bank conducts business; regulatory changes affecting the Bank's business; geopolitical and sociopolitical uncertainty; important changes in consumer behaviour; the housing and household indebtedness situation and real estate market in Canada; changes in the Bank's customers' and counterparties' performance and creditworthiness; 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; changes to capital and liquidity guidelines as well as the manner in which they are to be presented and interpreted; changes to the credit ratings assigned to the Bank; potential disruption to key suppliers of goods and services to the Bank; potential disruptions to the Bank's information technology systems, including evolving cyberattack risk as well as identity theft and theft of personal information; and possible impacts of catastrophic events affecting local and global economies, including natural disasters and public health emergencies such as the COVID-19 pandemic. Statements about the expected impacts of the COVID-19 pandemic on the Bank and its results of operations, reputation, financial position and liquidity, as well as on the global economy may be inaccurate and differ, possibly materially, from what is currently expected as they depend on future developments that are highly uncertain and cannot be predicted. The foregoing list of risk factors is not exhaustive. Additional information about these factors can be found in the COVID-19 Pandemic and Risk Management sections of the Bank's 2020 Annual Report and in the Report to Shareholders for the Third Quarter of 2021, notably in the COVID-19 Pandemic section. 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 risks 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.

Non-GAAP 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 2020 Annual Report and the Bank's Report to Shareholders for the Third Quarter of 2021.

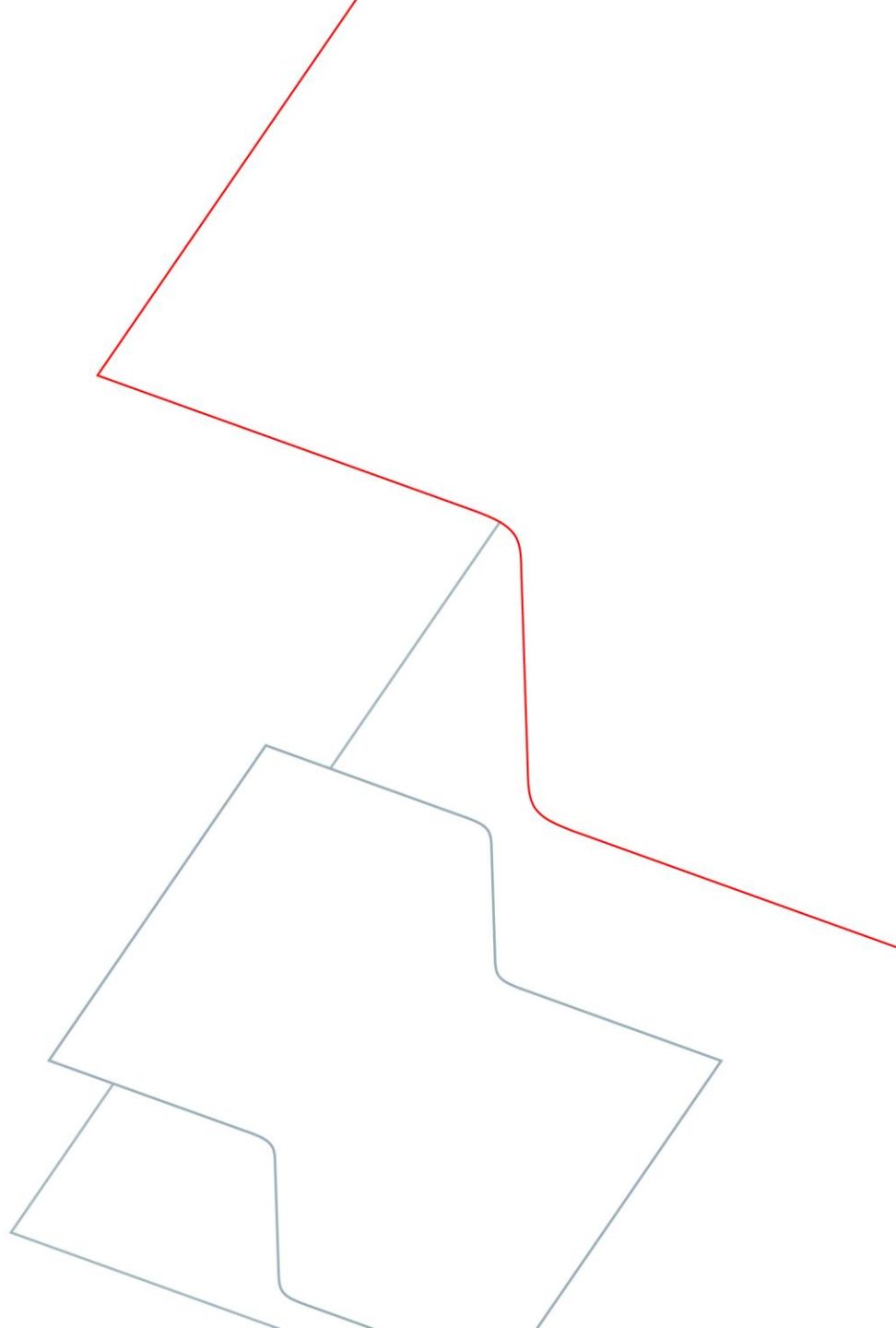
The Bank uses a number of financial measures when assessing its results and measuring overall performance. Some of these financial measures are not calculated in accordance with GAAP, which are based on IFRS. Presenting non-GAAP financial measures helps readers to better understand how management analyzes 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 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 on non-GAAP financial measures, please refer to the Financial Reporting Method starting on page 6 of the Bank's Report to Shareholders for the Third Quarter of 2021 and on page 22 of the Bank's 2020 Annual Report, which are available at nbc.ca/investorrelations.

OVERVIEW

Louis Vachon

President & Chief Executive Officer



Q3 2021 – STRONG PERFORMANCE ACROSS THE BANK

Revenues⁽¹⁾

\$2,301 MM

+14% YoY

PTPP⁽²⁾

\$1,085 MM

+15% YoY

- Strong business performance
 - Revenues up 14% YoY⁽¹⁾
 - PTPP up 15% YoY⁽²⁾
 - Positive operating leverage

Total PCL

\$(43) MM

EPS

\$2.36

- PCL recovery on strong portfolio performance and improving economic environment
 - Maintaining prudent reserves (1.6x pre-pandemic levels)
- CET1 of 12.2% while generating strong organic growth

CET1

12.2%

ROE⁽³⁾

21.3%

- Industry-leading ROE⁽³⁾

(1) Total revenues presented on a taxable equivalent basis (TEB). This is a non-GAAP measure. See slide 2.

(2) Pre-Tax Pre-Provision earnings (PTPP) is the difference between total revenues (TEB) and non-interest expenses. This is a non-GAAP measure. See slide 2.

(3) Return on Equity (ROE) does not have a standardized meaning under GAAP and may not be comparable to similar measures disclosed by others. See slide 2.

Q3 2021 – CONTINUED ORGANIC GROWTH IN ALL SEGMENTS

P&C Banking

Revenues: **+10% YoY**

PTPP⁽¹⁾: **+18% YoY**

- Strong growth on both sides of the balance sheet
- Average loans up 11% YoY and 4% QoQ driven by both Personal and Commercial
- Momentum in client activity

Wealth Management

Revenues: **+21% YoY**

PTPP⁽¹⁾: **+29% YoY**

- Strong organic growth across the franchise
- AUA up 26% and AUM up 30% YoY from favorable markets and strong net sales

Financial Markets

Revenues⁽²⁾: **+3% YoY**

PTPP⁽¹⁾: **+1% YoY**

- Solid performance in Financial Markets supported by our revenue diversification
- Strong quarter for C&IB with revenues up 20% YoY
- Resilient performance from Global Markets

USSF&I

Revenues: **+18% YoY**

PTPP⁽¹⁾: **+29% YoY**

- ABA: Continued growth with revenues up 25% YoY
- Credigy: Solid results reflecting strong portfolio performance

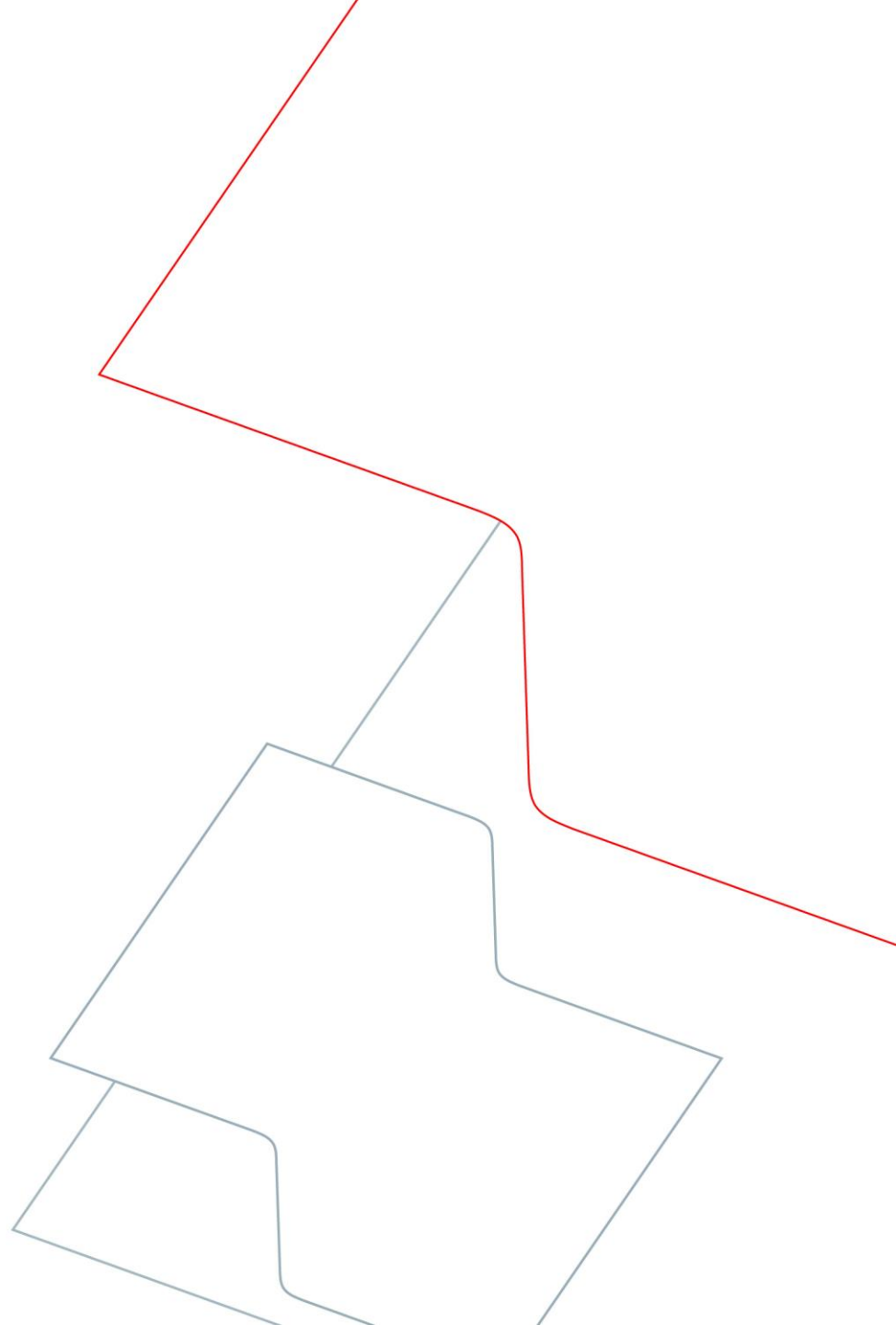
(1) Pre-Tax Pre-Provision earnings (PTPP) is the difference between total revenues (TEB) and non-interest expenses. This is a non-GAAP measure. See slide 2.

(2) Revenues presented on a taxable equivalent basis (TEB). This is a non-GAAP measure. See slide 2.

RISK MANAGEMENT

William Bonnell

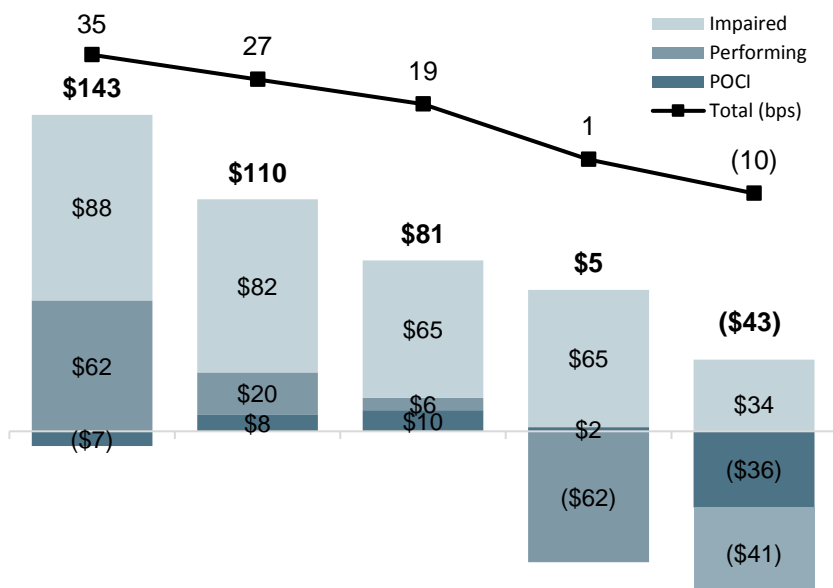
Executive Vice-President
Risk Management



PROVISIONS FOR CREDIT LOSSES

PCL Q3 2021

(\$MM)



(\$MM)

	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21
Personal	29	30	18	17	15
Commercial	20	38	39	8	(3)
Wealth Management	1	2	(2)	2	-
Financial Market	27	5	6	33	20
USSF&I	11	7	4	5	2
PCL on impaired	88	82	65	65	34
POCI ⁽¹⁾	(7)	8	10	2	(36)
PCL on performing	62	20	6	(62)	(41)
Total PCL	143	110	81	5	(43)

(1) Purchased or Originated Credit Impaired.

Total PCL

- PCL recovery of \$43M (-10bps), reflecting continued strong portfolio performance and improved economic outlook

PCL on Impaired Loans

- \$34M (8bps), meaningfully lower QoQ
- PCL in FM related to one account. Continuing low impaired PCLs in P&C and USSF&I

POCI ⁽¹⁾

- -\$36M (-9bps) reflecting better than expected portfolio performance

PCL on Performing Loans

- Release of \$41M (-9bps) driven by improved economic outlook and portfolio quality
- Retail: -\$28M, reflects overall continued strong performance
- Non-retail: -\$12M, reflecting scenarios updates and positive migration
- USSF&I: -\$1M, driven by improved economic outlook and portfolio performance at Credigy partly offset by increased provisions at ABA

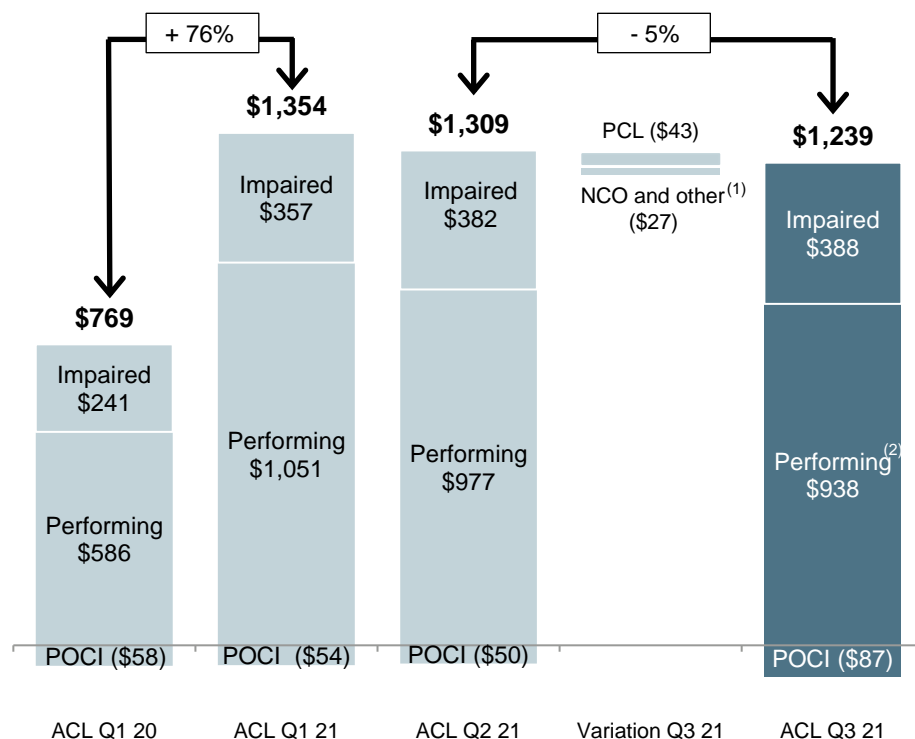
FY 2021 Target Range

- Impaired PCLs : below 15bps

ALLOWANCE FOR CREDIT LOSSES

ACL Q3 21

(\$MM)



Total Allowances

- Declined by 5% (\$70M) QoQ
- Remain >60% above pre-pandemic level
- Maintaining prudent level of allowances in light of continued uncertainty

Performing Allowances

- Decline of 4% (\$39M) QoQ
- At \$938M, remains just 11% below peak level
- Strong coverage of 3.8x impaired PCLs and 6.6x NCOs (LTM)
- Future level of performing allowances will be driven by the path of economic recovery, credit quality and volume growth

Impaired Allowances

- Increase \$6M QoQ
- Coverage improved to 56% of Gross Impaired Loans (+4% QoQ)

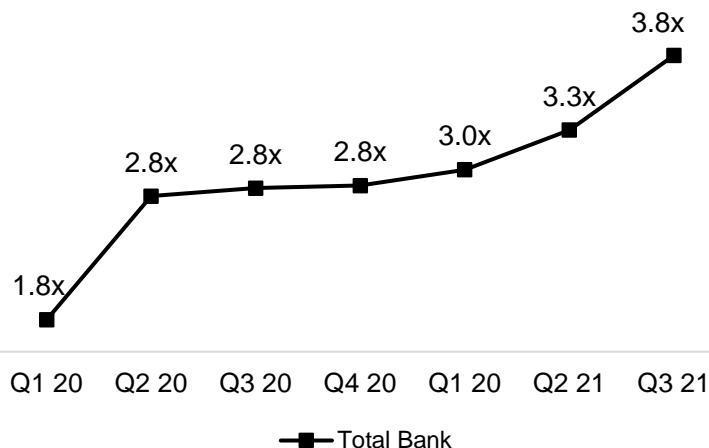
(1) Net Charge Offs and other (FX variation and disposals).

(2) Performing ACL includes allowances on drawn (\$754M), undrawn (\$158M) and other assets (\$26M).

PRUDENT PROVISIONING IN UNCERTAIN ECONOMIC ENVIRONMENT

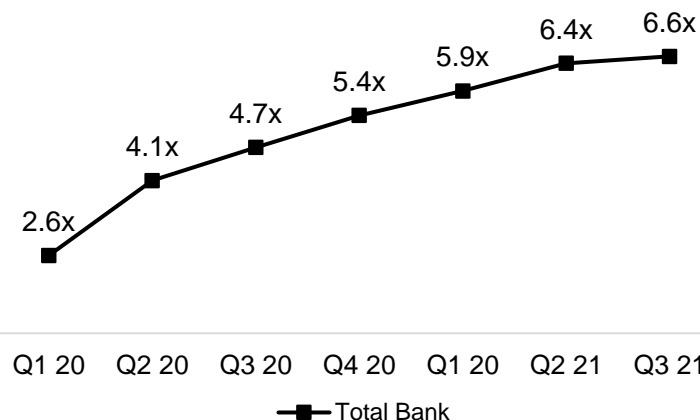
Strong Performing ACL Coverage

Performing ACL / LTM PCL on Impaired Loans



Total Allowances Cover 6.6X NCOs

Total ACL / LTM Net Charge-Offs



Prudent Reserve Build

Total PCL Less Net Charge-Offs (\$MM)

	YTD2021	F2020	F2019	F2018
Total Bank Reserve Build (Release)	(\$77)	\$596	\$48	\$5

Strong Total ACL Coverage

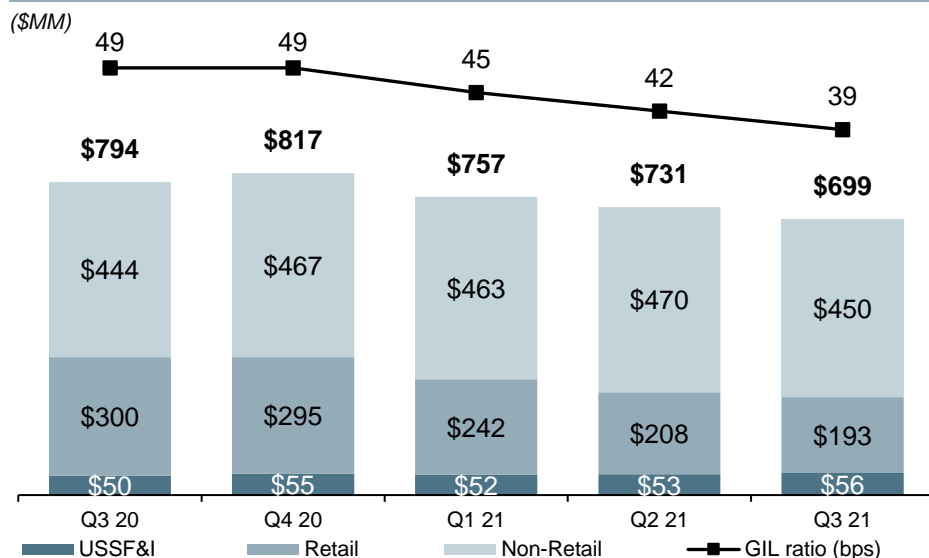
Total ACL / Total Loans (excl. POCL and FVTPL)

	Q3 21	Q2 21	Q3 20
Mortgages	0.20%	0.21%	0.22%
Credit Cards	8.55%	9.77%	10.59%
Total Retail	0.52%	0.57%	0.70%
Total Non-Retail	1.13%	1.21%	1.13%
Total Bank	0.77%	0.83%	0.89%

Note: Performing ACL includes allowances on drawn (\$754M), undrawn (\$158M) and other assets (\$26M).

GROSS IMPAIRED LOANS AND FORMATIONS

Gross Impaired Loans⁽¹⁾ (GIL)



- Gross impaired loans of 39bps (\$699M), a decline of 3bps QoQ and 10bps YoY
- Continued low net formations
 - Financial Markets had one new formation in the utilities sector
 - Net repayments in Commercial

Net Formations⁽²⁾ by Business Segment

(\$MM)

	Q3 21	Q2 21	Q1 21	Q4 20	Q3 20
Personal	10	(8)	(20)	35	56
Commercial	(22)	(46)	27	67	(15)
Financial Markets	12	63	(4)	(10)	5
Wealth Management	–	6	(1)	(4)	6
Credigy	4	6	6	13	11
ABA Bank	3	1	(1)	2	6
Total GIL Net Formations	7	22	7	103	69

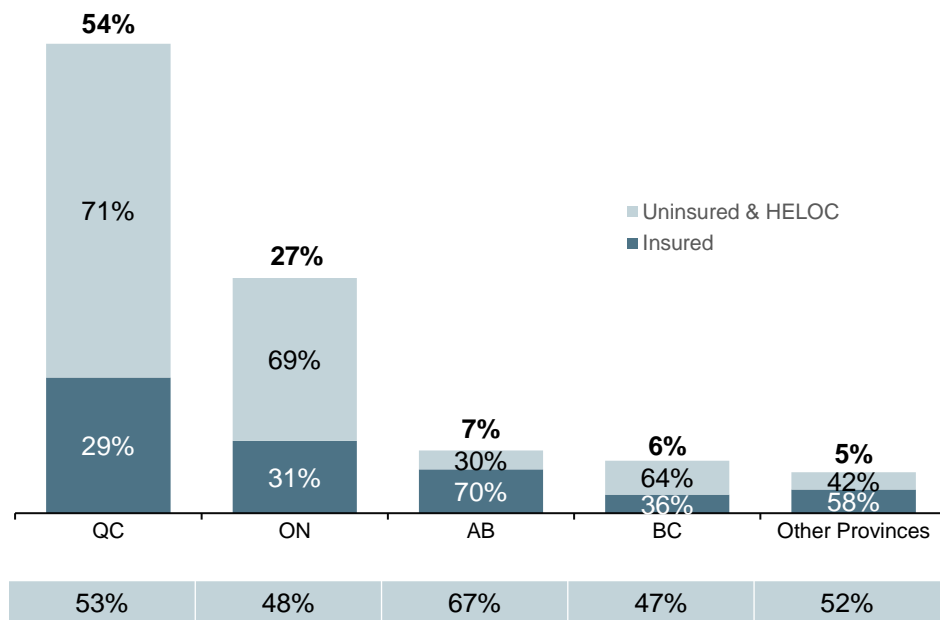
(1) Under IFRS 9, impaired loans are all loans classified in stage 3 of the expected credit loss model. Those loans do not take into account purchased or originated credit-impaired loans.

(2) Formations include new accounts, disbursements, principal repayments, and exchange rate fluctuation; net of write-offs.

RETAIL MORTGAGE AND HELOC PORTFOLIO

Canadian Distribution by Province

(As at July 31, 2021)



Average LTV - Uninsured and HELOC⁽¹⁾

Canadian Uninsured and HELOC Portfolio

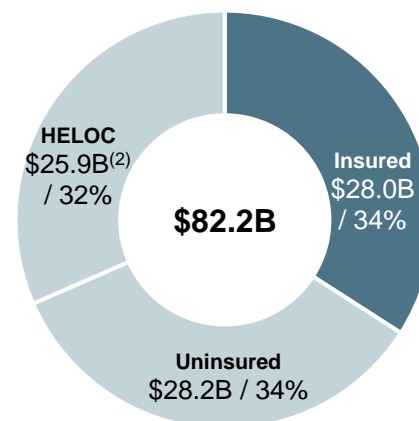
	HELOC	Uninsured
Average LTV ⁽¹⁾	50%	55%
Average Credit Bureau Score	793	782
90+ Days Past Due (bps)	6	11

(1) LTV are based on authorized limit for HELOCs and outstanding amount for Uninsured Mortgages. They are updated using Teranet-National Bank sub-indices by area and property type

(2) Of which \$17.3B are amortizing HELOC

- Insured mortgages account for 34% of the total RESL portfolio
- Distribution across product and geography remained stable
- Uninsured mortgages and HELOC in GTA and GVA represent 11% and 2% of the total portfolio and have an average LTV⁽¹⁾ of 48% and 47% respectively for each segment
- Uninsured mortgages and HELOC for condos represents 8% of the total portfolio and have an average LTV⁽¹⁾ of 56%

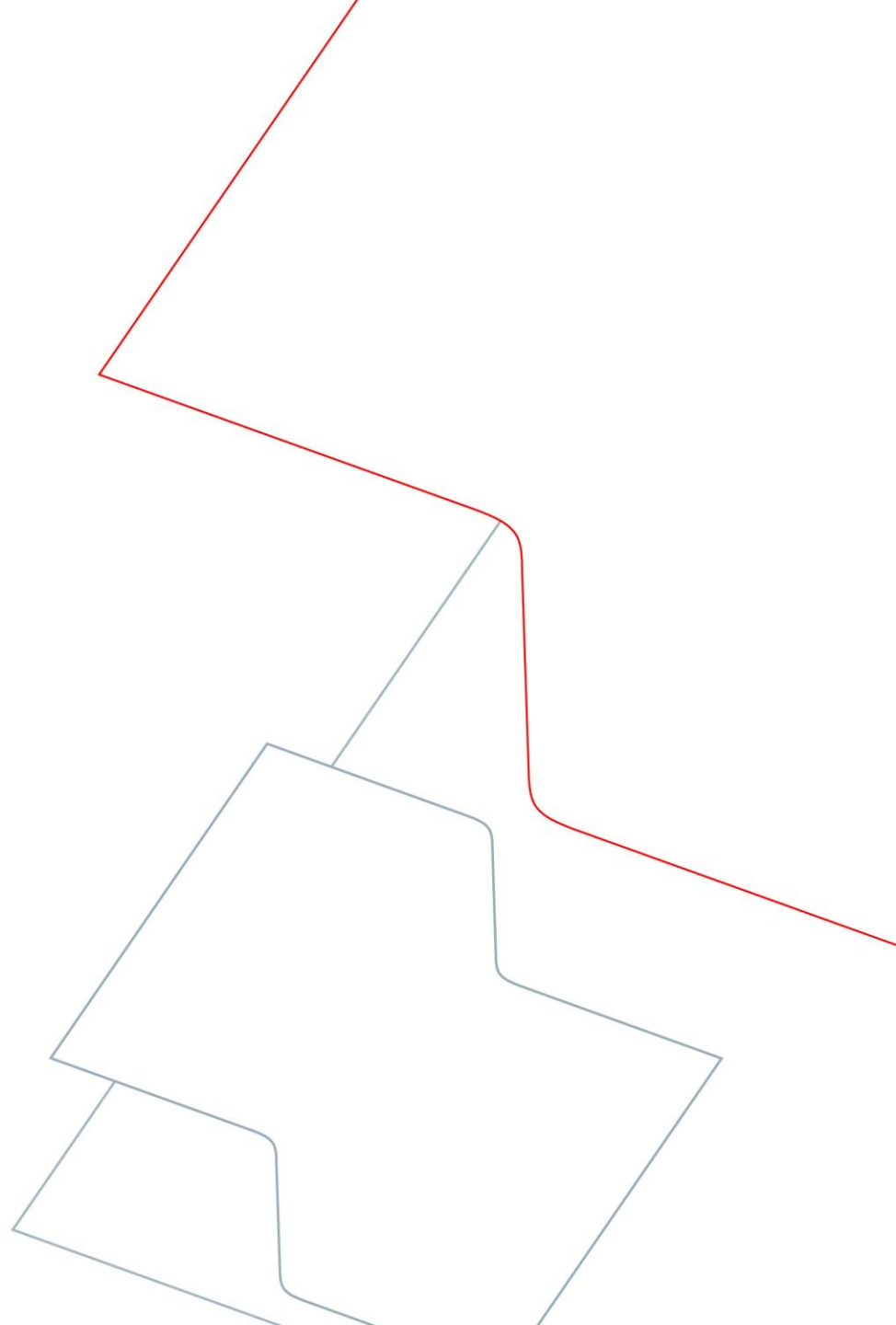
Canadian Distribution by Mortgage Type



FINANCIAL REVIEW

Ghislain Parent

Chief Financial Officer and
Executive Vice-President, Finance



BALANCED APPROACH BETWEEN GROWTH, INVESTMENT AND COST MANAGEMENT

Revenue Growth:

13.9%⁽¹⁾

Q3 2021 YoY

- Strong performance across the Bank

Expense Growth:

13.2%

Q3 2021 YoY

- Positive operating leverage and continued discipline in cost management

PTPP Growth:

14.6%⁽²⁾

Q3 2021 YoY

- Expense growth reflecting the combined effect of the following:
 - Higher variable compensation related to our strong performance
 - Decrease in variable compensation provision in Q3/20

Efficiency Ratio:

52.8%

Q3 2021

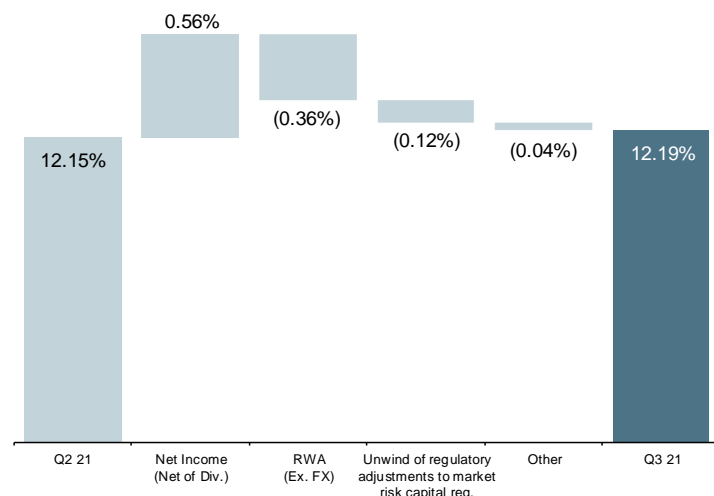
- PTPP growth of 14% year-to-date
 - Operating leverage of 1.9% year-to-date

(1) Total revenues presented on a taxable equivalent basis (TEB). This is a non-GAAP measure. See slide 2.

(2) Pre-Tax Pre-Provision earnings (PTPP) is the difference between total revenues (TEB) and non-interest expenses. This is a non-GAAP measure. See slide 2.

STRONG CAPITAL POSITION

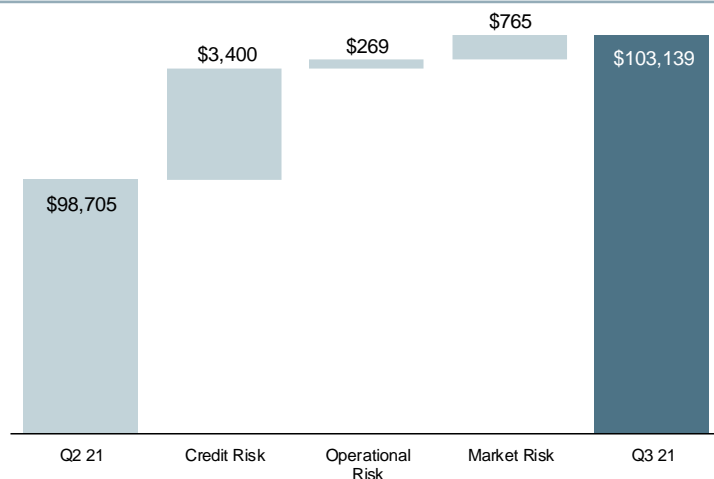
CET1 Ratio



- Maintaining a solid CET1 ratio of 12.2%⁽¹⁾ while generating strong organic growth
- Continued strong net income generation
- RWA growth primarily driven by strong volume growth in Commercial Banking and counterparty credit risk in Global Markets
- Positive impact from rating migration (9 bps)
- CET1 impact from unwinding regulatory adjustments to the market risk capital requirements of -12 bps
- Estimated CET1 impact from the acquisition of Flinks Technology of approximately -10 bps in Q4/21

Risk-Weighted Assets

(\$MM)



(1) Ratio takes into account the transitional relief measures granted by OSFI in the context of COVID-19 (12.1% excluding ECL transitional relief measures). For additional details regarding relief measures introduced by the regulatory authorities, see pages 20-21 of the Bank's 2020 Annual Report to Shareholders.

STRONG CAPITAL AND LIQUIDITY POSITIONS

Capital and Capital Ratios

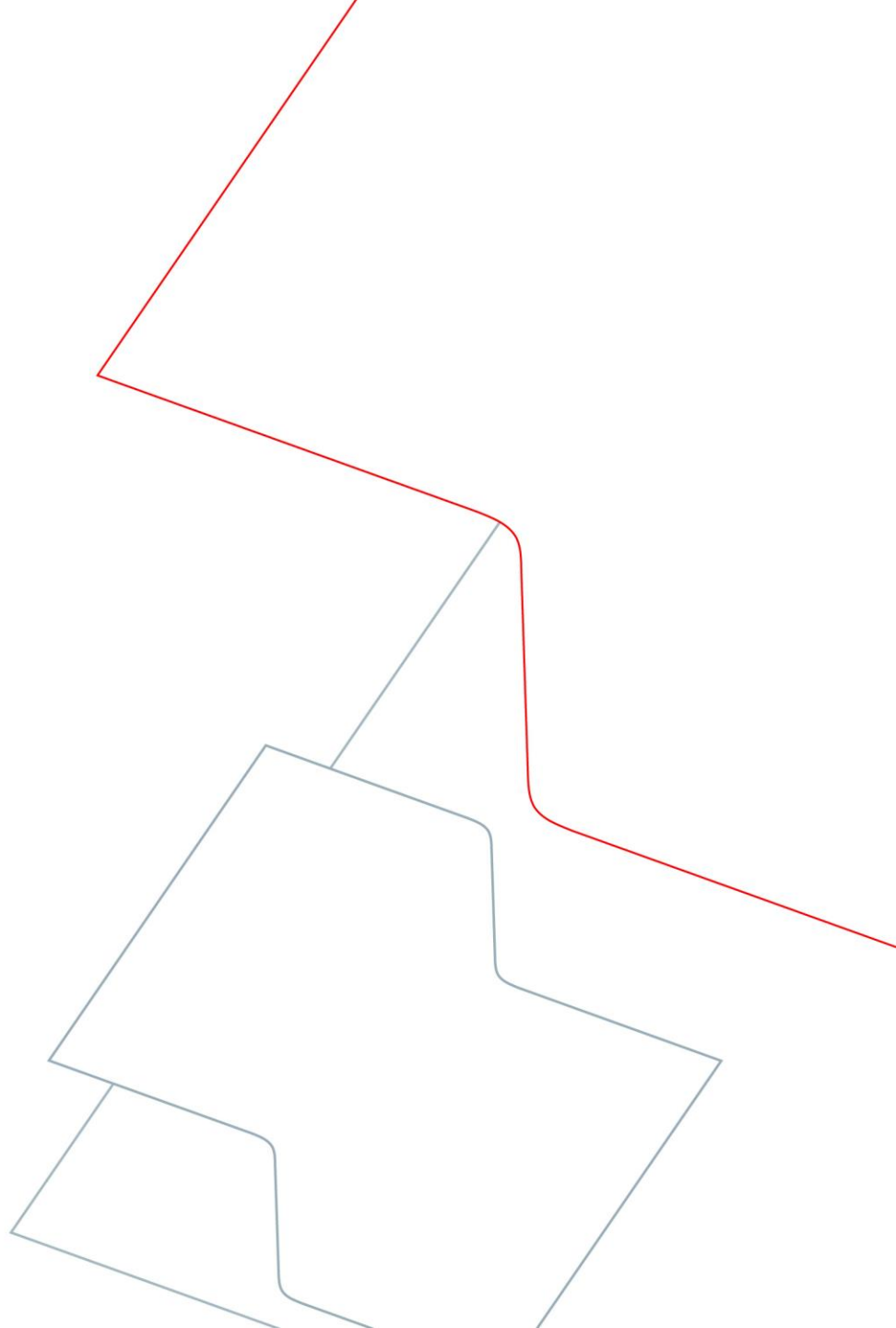
(\$MM)

	Q3 21	Q2 21	Q1 21
Capital			
CET1	\$12,574	\$11,997	\$11,563
Tier 1	\$15,221	\$15,042	\$14,512
Total	\$16,303	\$16,153	\$15,589
TLAC ⁽¹⁾	\$26,748	\$25,576	\$24,602
Capital ratios			
CET1	12.2%	12.2%	11.9%
Tier 1	14.8%	15.2%	14.9%
Total	15.8%	16.4%	16.0%
Leverage	4.4%	4.4%	4.3%
TLAC ⁽¹⁾	25.9%	25.9%	25.3%
TLAC ⁽¹⁾ Leverage	7.8%	7.5%	7.4%
Liquidity Coverage Ratio	154%	150%	154%
Net Stable Funding Ratio	123%	125%	124%

- Our capital levels remain strong
- Total capital ratio of 15.8%
 - Redemption of Series 36 preferred shares (\$400MM)
- Strong liquidity ratios

(1) Total Loss Absorbing Capacity (TLAC). OSFI is requiring D-SIBs to maintain a minimum risk-based TLAC ratio of 24% (including the domestic stability buffer) of risk-weighted assets and a minimum TLAC leverage ratio of 6.75% by November 1, 2021.

APPENDICES



APPENDIX 1 | TOTAL BANK – Q3 21 RESULTS

Total Bank Summary Results – Q3 2021

(\$MM, TEB)

	Q3 21	Q2 21	Q3 20	QoQ	YoY
Revenues	2,301	2,282	2,021	1%	14%
Non-Interest Expenses	1,216	1,199	1,074	1%	13%
Pre-Tax / Pre-Provisions	1,085	1,083	947	-	15%
PCL	(43)	5	143		
Net Income	839	801	602	5%	39%
Diluted EPS	\$2.36	\$2.25	\$1.66	5%	42%
Efficiency Ratio	52.8%	52.5%	53.1%	+30 bps	-30 bps
Return on Equity	21.3%	22.0%	17.0%		
Key Metrics	Q3 21	Q2 21	Q3 20	QoQ	YoY
Avg Loans & BAs - Total	174,252	168,700	160,457	3%	9%
Avg Deposits - Total	237,162	233,829	207,450	1%	14%
CET1 Ratio	12.2%	12.2%	11.4%		

- Revenues up 14% YoY and PTPP up 15% YoY⁽¹⁾
 - Average loans up 9% YoY
 - Average deposits up 14% YoY
 - Positive operating leverage
- PCL recovery on strong portfolio performance and improving economic environment
- EPS of \$2.36
- Industry-leading ROE of 21.3%⁽²⁾

(1) Pre-Tax Pre-Provision earnings (PTPP) is the difference between total revenues (TEB) and non-interest expenses. This is a non-GAAP measure. See slide 2.

(2) Return on Equity (ROE) does not have a standardized meaning under GAAP and may not be comparable to similar measures disclosed by others. See slide 2.

APPENDIX 2 | PERSONAL AND COMMERCIAL BANKING

P&C Summary Results – Q3 2021

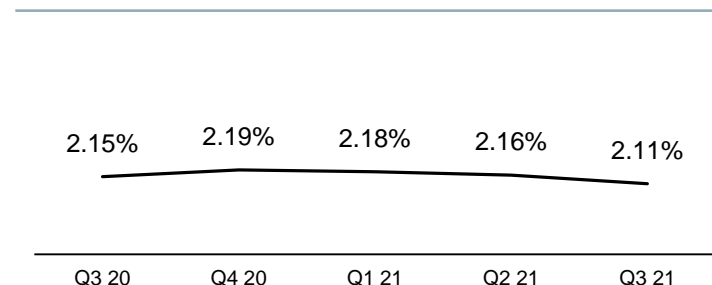
(\$MM)

	Q3 21	Q2 21	Q3 20	QoQ	YoY
Revenues	937	902	851	4%	10%
Personal	563	542	535	4%	5%
Commercial	374	360	316	4%	18%
Non-Interest Expenses	486	479	468	1%	4%
Pre-Tax / Pre-Provisions	451	423	383	7%	18%
PCL	2	(14)	79		
Net Income	330	321	223	3%	48%

Key Metrics	Q3 21	Q2 21	Q3 20	QoQ	YoY
Avg Loans & Bas	128,996	124,189	116,372	4%	11%
Personal	86,497	83,966	78,945	3%	10%
Commercial	42,499	40,223	37,427	6%	14%
Avg Deposits	78,052	75,221	68,970	4%	13%
Personal	37,012	36,408	34,753	2%	7%
Commercial	41,040	38,813	34,217	6%	20%
NIM (%)	2.11%	2.16%	2.15%	(0.05%)	(0.04%)
Efficiency Ratio (%)	51.9%	53.1%	55.0%	-120 bps	-310 bps
PCL Ratio	0.01%	(0.05%)	0.27%		

- Revenues up 10% YoY:
 - Continued growth on both sides of the balance sheet
 - Targeted opportunities in commercial real estate in the residential insured segment
 - Pickup in other commercial lending
 - Momentum in client activity with other income up 12% YoY
- NIM down 5 bps QoQ
 - Loan mix, deposit spread and portfolio repricing

P&C Net Interest Margin⁽¹⁾



(1) NIM is on Earning Assets.

APPENDIX 3 | WEALTH MANAGEMENT

Wealth Management Summary Results – Q3 2021

(\$MM)

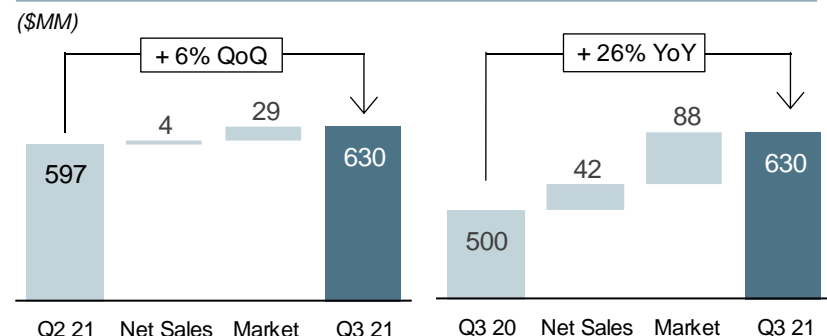
	Q3 21	Q2 21	Q3 20	QoQ	YoY
Revenues	547	541	451	1%	21%
Fee-Based	339	318	266	7%	27%
Transaction & Others	96	112	79	(14%)	22%
Net Interest Income	112	111	106	1%	6%
Non-Interest Expenses	322	315	276	2%	17%
Pre-Tax / Pre-Provisions	225	226	175	-	29%
PCL	-	2	2		
Net Income	165	165	127	-	30%

Key Metrics (\$B)

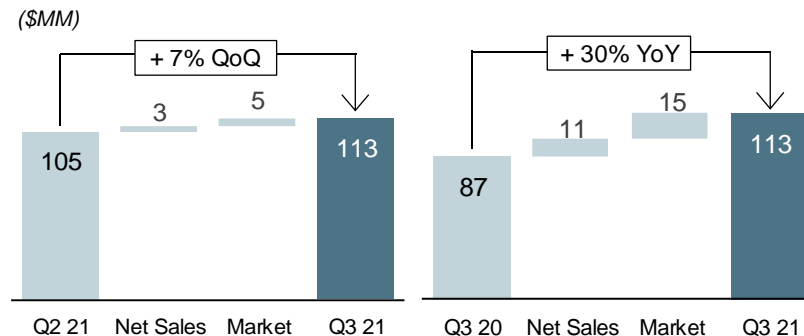
	Q3 21	Q2 21	Q3 20	QoQ	YoY
Avg Loans & BAs	6.2	5.8	4.7	7%	34%
Avg Deposits	33.2	33.9	35.3	(2%)	(6%)
Assets Under Administration	630.0	596.8	500.3	6%	26%
Assets Under Management	112.9	105.3	86.7	7%	30%
Efficiency Ratio (%)	58.9%	58.2%	61.2%	+70 bps	-230 bps

- Continued strength across Wealth Management, with net earnings up 30% YoY
 - Fee-based revenues up 27% YoY
- AUA and AUM up 26% and 30% YoY, respectively, driven by:
 - Favorable markets
 - Strong net sales from the branch network, full-service brokerage and private banking

Assets Under Administration⁽¹⁾



Assets Under Management⁽¹⁾



(1) This is a non-GAAP measure. See slide 2.

APPENDIX 4 | FINANCIAL MARKETS

Financial Markets Summary Results – Q3 2021

(\$MM, TEB)

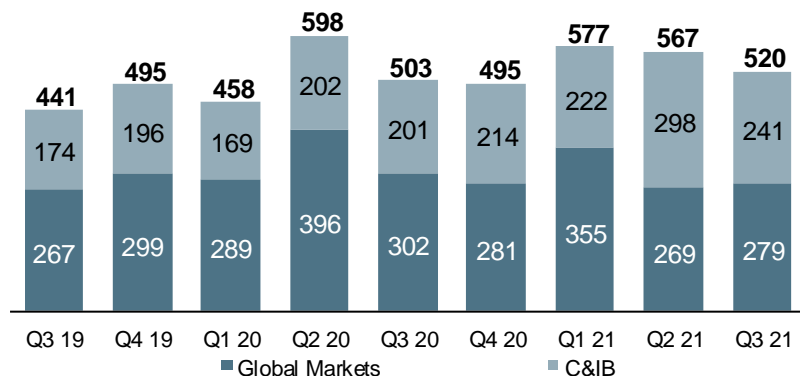
	Q3 21	Q2 21	Q3 20	QoQ	YoY
Revenues	520	567	503	(8%)	3%
Global Markets	279	269	302	4%	(8%)
C&IB	241	298	201	(19%)	20%
Non-Interest Expenses	221	225	207	(2%)	7%
Pre-Tax / Pre-Provisions	299	342	296	(13%)	1%
PCL	(10)	18	41		
Net Income	227	238	188	(5%)	21%

- Solid performance in Financial Markets led by C&IB
- C&IB: Revenues up 20% YoY, with a strong performance across the franchise
- Global Markets: Normalization of trading activity, partly offset by strong activity in Structured Products

Other Metrics	Q3 21	Q2 21	Q3 20	QoQ	YoY
Avg Loans & BAs ⁽¹⁾	18,334	18,377	20,093	-	(9%)
Efficiency Ratio (%)	42.5%	39.7%	41.2%	+280 bps	+130 bps

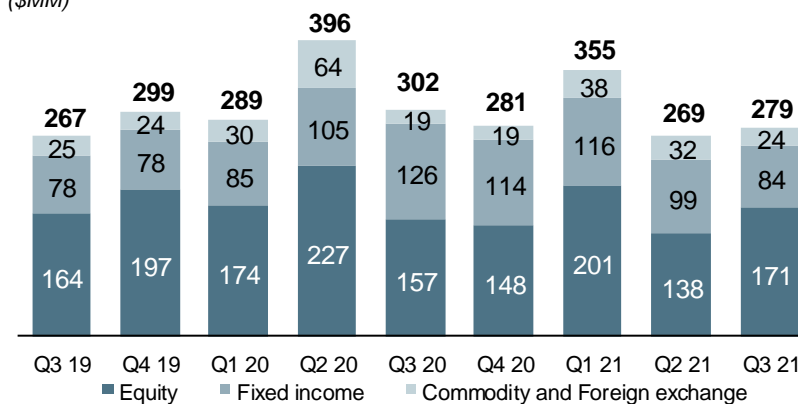
Financial Markets Revenues

(\$MM)



Global Markets Revenues

(\$MM)



(1) Corporate Banking only.

APPENDIX 5 | US SPECIALTY FINANCE & INTERNATIONAL

USSF&I Summary Results – Q3 2021

(\$MM)

ABA Bank Summary Results	Q3 21	Q2 21	Q3 20	QoQ	YoY
Revenues	131	121	105	8%	25%
Non-Interest Expenses	42	42	42	-	-
Pre-Tax / Pre-Provisions	89	79	63	13%	41%
PCL	10	11	5		
Net Income	62	60	46	3%	35%
Avg Loans & Receivables	5,340	5,070	4,124	5%	29%
Avg Deposits	6,773	6,492	5,040	4%	34%
Efficiency Ratio (%)	32.1%	34.7%	40.0%		
Number of clients ('000)	1,237	1,115	882		

Credigy Summary Results	Q3 21	Q2 21	Q3 20	QoQ	YoY
Revenues	116	115	104	1%	12%
Non-Interest Expenses	36	34	36	6%	-
Pre-Tax / Pre-Provisions	80	81	68	(1%)	18%
PCL	(45)	(12)	16		
Net Income	99	69	41	43%	141%
Avg Assets	7,381	7,408	7,909	-	(7%)
Avg Assets US\$	5,992	5,915	5,825	1%	3%
Efficiency Ratio (%)	31.0%	29.6%	34.6%		

USSF&I Summary Results	Q3 21	Q2 21	Q3 20	QoQ	YoY
Revenues	248	237	210	5%	18%
Non-Interest Expenses	79	77	79	3%	-
Pre-Tax / Pre-Provisions	169	160	131	6%	29%
PCL	(35)	(1)	21		
Net Income	161	129	87	25%	85%

ABA Bank

- Continued growth with revenues up 25% YoY, loans up 29% and deposits up 34%
- Solid credit position: well-diversified portfolio, 98% secured

Credigy

- Strong results driven by portfolio performance, balance sheet growth and improving economic performance
 - POCI write-ups primarily related to actual overperformance of various portfolios

APPENDIX 6 | OTHER

Other Segment Summary Results – Q3 2021

(\$MM, TEB)

	Q3 21	Q2 21	Q3 20
Revenues	49	35	6
Non-Interest Expenses	108	103	44
Pre-Tax/ Pre-Provisions	(59)	(68)	(38)
PCL	-	-	-
Pre-Tax Income	(59)	(68)	(38)
Net Income	(44)	(52)	(23)

- Higher revenues YoY from gains on investments reflecting favorable markets
- Non-interest expenses up YoY:
 - Higher variable compensation related to our strong performance
 - Decrease in variable compensation provision in Q3/20
 - Partly offset by lower expenses for health and safety measures in context of pandemic

APPENDIX 7 | TOTAL LOAN PORTFOLIO OVERVIEW

Loan Distribution by Borrower Category

(\$B)

	As at July 31, 2021	% of Total
Retail		
Secured - Mortgage & HELOC	87.4	49%
Secured - Other ⁽¹⁾	10.4	6%
Unsecured	3.7	2%
Credit Cards	1.8	1%
Total Retail	103.3	58%
Non-Retail		
Real Estate and Construction RE	18.0	10%
Agriculture	7.2	4%
Retail & Wholesale trade	6.0	3%
Other Services	5.7	3%
Manufacturing	5.5	3%
Finance and Insurance	5.4	3%
Utilities	4.7	3%
Oil & Gas and Pipeline	4.1	2%
<i>Oil & Gas</i>	1.9	1%
<i>Pipeline & Other</i>	2.2	1%
Other ⁽²⁾	19.6	11%
Total Non-Retail	76.2	42%
Purchased or Originated Credit-Impaired	0.5	0.3%
Total Gross Loans and Acceptances	180.0	100%

- Secured lending accounts for 94% of Retail loans
- Indirect auto loans represent 1.7% of total loans (\$3.0B)
- Limited exposure to unsecured retail and cards (3% of total loans)
- Non-Retail portfolio is well-diversified

(1) Includes indirect lending and other lending secured by assets other than real estate.

(2) Includes Mining, Utilities, Transportation, Professional Services, Construction Non-Real Estate, Communication, Government and Education & Health Care.

APPENDIX 8 | REGIONAL DISTRIBUTION OF CANADIAN LOANS

Prudent Positioning

(As at July 31, 2021)

	Quebec	Ontario	Oil Regions ⁽¹⁾	BC/MB	Maritimes ⁽²⁾ and Territories	Total
Retail						
Secured Mortgage & HELOC	27.4%	13.8%	4.6%	3.5%	1.1%	50.4%
Secured Other	2.7%	1.3%	0.5%	0.7%	0.3%	5.5%
Unsecured and Credit Cards	2.5%	0.3%	0.1%	0.1%	0.2%	3.2%
Total Retail	32.6%	15.4%	5.2%	4.3%	1.6%	59.1%
Non-Retail						
Commercial	18.4%	4.5%	1.8%	1.9%	0.7%	27.3%
Corporate Banking and Other ⁽³⁾	4.6%	4.9%	2.6%	1.2%	0.3%	13.6%
Total Non-Retail	23.0%	9.4%	4.4%	3.1%	1.0%	40.9%
Total	55.6%	24.8%	9.6%	7.4%	2.6%	100.0%

Within the Canadian loan portfolio:

- Limited exposure to unsecured consumer loans (3.2%)
- Modest exposure to unsecured consumer loans outside Quebec (0.7%)
- RESL exposure predominantly in Quebec

(1) Oil regions include Alberta, Saskatchewan and Newfoundland.

(2) Maritimes include New Brunswick, Nova Scotia and P.E.I.

(3) Includes Corporate, Other FM and Government portfolios.

APPENDIX 9 | LIMITED EXPOSURE TO COVID-19 MOST IMPACTED INDUSTRIES

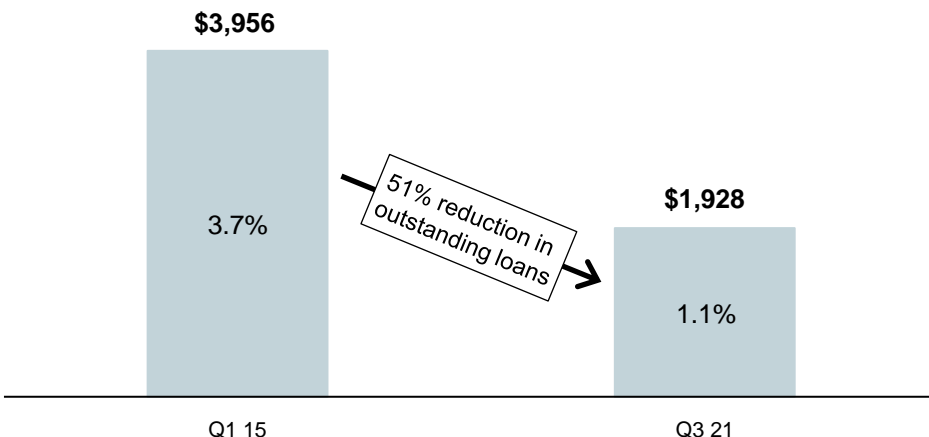
- Exposure to COVID-19 key impacted sectors remains modest at 3.4% of total gross loans

	Gross Loans (\$MM)	% of Book	
Non-Food / Non-Pharmacy Retailers			
Car Dealerships	\$532	0.3%	■ Increase of 3% QoQ / Typically secured by real estate / Strong recovery in car sales
Other Retailers	\$507	0.3%	■ Stable QoQ / Diversified customer base / Around 20% in apparel
Essential Services Retailers	\$464	0.3%	■ Increase of 19% QoQ / Majority of exposure is secured / No loan under moratorium
Hospitality and Entertainment			
Entertainment	\$494	0.3%	■ Increase of 3% QoQ / 52% in professional sports teams which are 70% IG
Hotels	\$354	0.2%	■ Decrease of 4% QoQ; Remained disciplined in sector / Secured portfolio with conservative LTV and branded assets
Restaurants	\$189	0.1%	■ Stable QoQ / Maintained a low-risk appetite for the sector throughout the years / 57% IG
Air Transportation and Aeronautics			
Aviation	\$464	0.3%	■ Decrease of 4% QoQ / 18% related to airports and airport operations
Aeronautics	\$40	0.0%	
Auto and Auto Parts Manufacturing			
	\$193	0.1%	
Retail Real Estate			
			■ Constrained portfolio growth in recent years
Diversified REITs	\$699	0.4%	■ Primarily IG REITs with good liquidity and continued access to capital markets
Commercial Retail	\$2,113	1.2%	■ More than 90% with street access / about 50% of leases with essential services tenants

APPENDIX 10 | OIL & GAS AND PIPELINES SECTOR

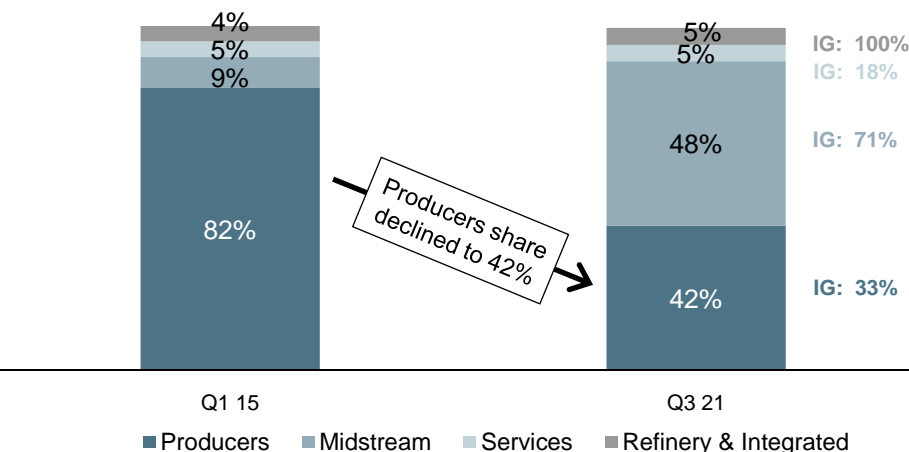
O&G Producers and Services Exposure

Gross Loans in \$MM and % of Total Loans



O&G and Pipeline sector

Total Gross Loans of \$4.1B as at July 31, 2021



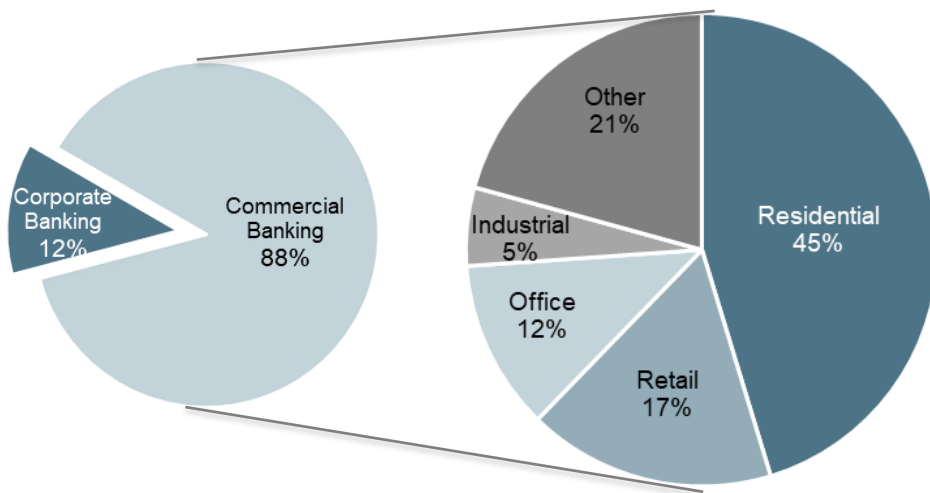
- O&G producers and services exposure significantly reduced
 - 51% reduction in outstanding loans: down from \$4B in Q1/15 to \$1.9B in Q3/21 (vs \$2.1B in Q2/21)
 - Reduction as a % of total loans: down from 3.7% in Q1/15 to 1.1% in Q3/21
 - Canadian focused strategy, minimal direct US exposure
- Overall O&G and Pipeline portfolio refocused from mid-cap to large cap
 - Producers share declined from 82% in Q1/15 to 42% in Q3/21
 - 54% of the portfolio is Investment Grade (as of Q3/21)
- Very modest indirect exposure to unsecured retail loans in the oil regions (~0.1% of total loans)

APPENDIX 11 | COMMERCIAL REAL ESTATE PORTFOLIO

(As at July 31, 2021)

Total CRE Portfolio
\$14.2B (7.9% of total loans)

Commercial Banking share
\$12.5B (6.9% of total loans)



Total CRE Portfolio of \$14.2B

- Corporate Banking accounts for 12% of portfolio, primarily public REITs, well diversified across sectors
- Commercial Banking accounts for 88% of portfolio

Drill down on Commercial Banking CRE:

Residential (3.1% of total loans – up \$0.5B)

- Accounted for the largest share of CRE growth QoQ, half of which was insured
- Insured portfolio now represents 46%
- LTV on uninsured ~62%

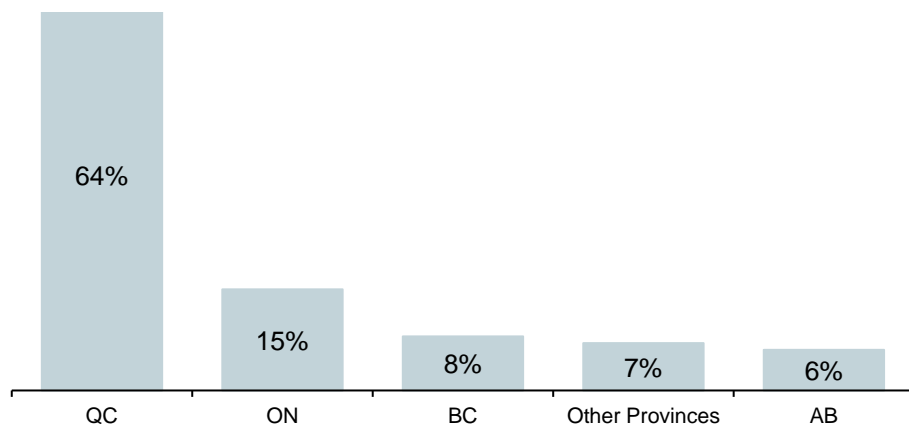
Retail (1.2% of total loans – stable)

- Share of portfolio reduced by 6% YoY
- Portfolio LTV ~60%
- ~50% of leases with essential services tenants

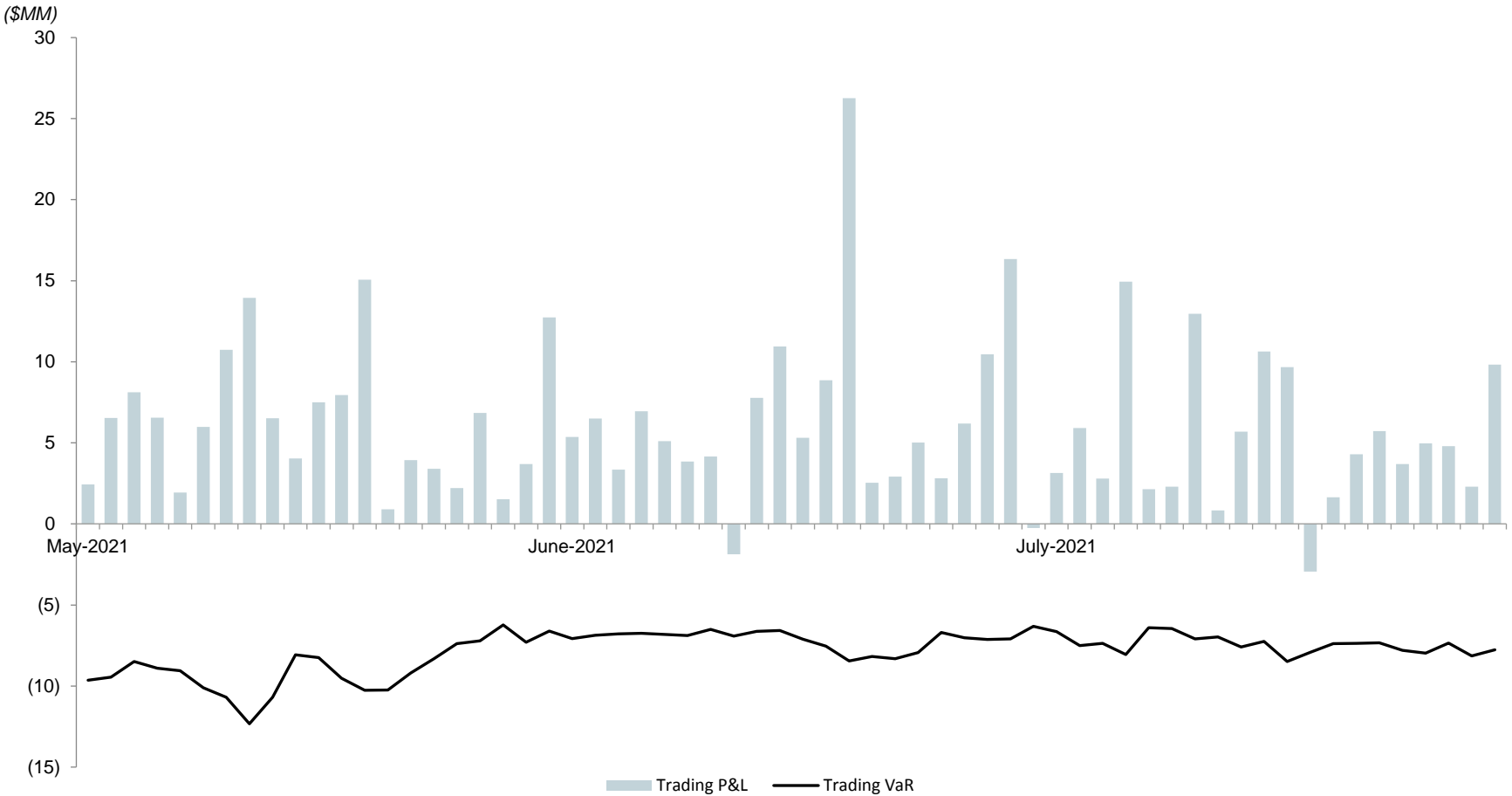
Office (0.8% of total loans – stable)

- Share of portfolio reduced by 5% YoY
- Portfolio LTV ~61%
- Long term leases (over 6 years)

Geographic Distribution (Commercial Banking CRE)



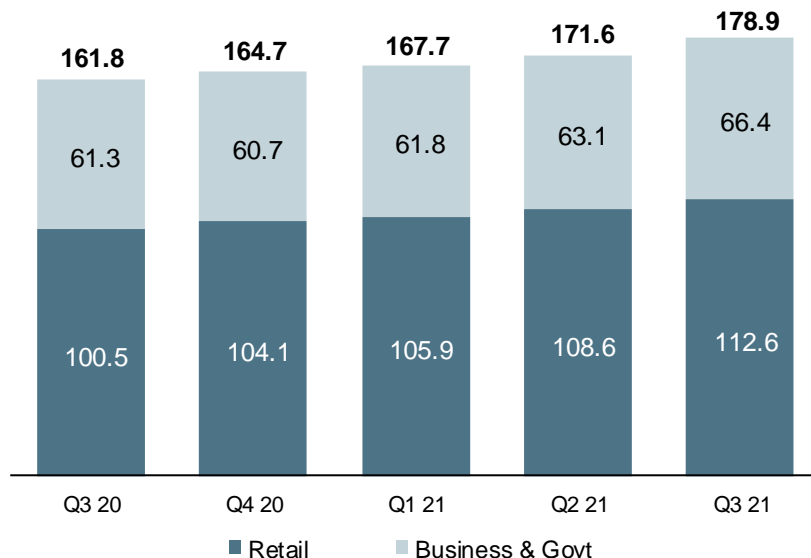
APPENDIX 12 | DAILY TRADING AND UNDERWRITING REVENUES VS. VAR



APPENDIX 13 | LOAN & DEPOSIT OVERVIEW

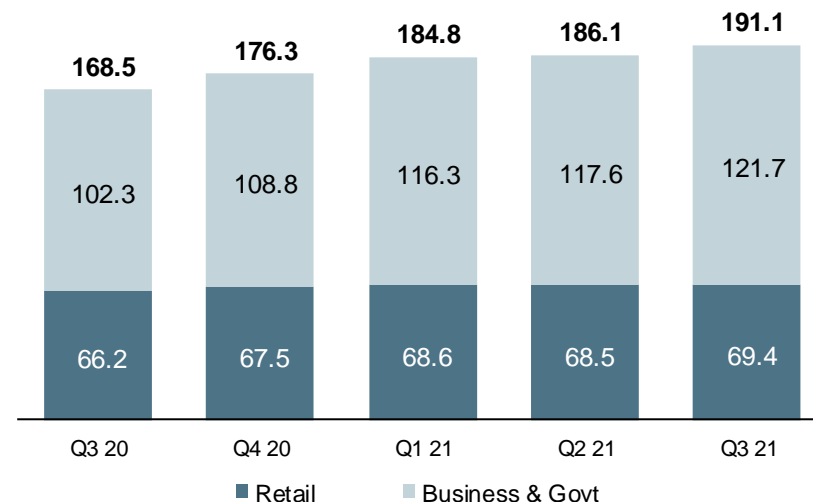
Loans and BA's⁽¹⁾

(\$B)



Deposits⁽²⁾

(\$B)



	QoQ	YoY
Loan Growth	4.3%	10.6%
Retail	3.7%	12.0%
Business & Govt	5.2%	8.3%

	QoQ	YoY
Deposit Growth	2.7%	13.4%
Retail	1.3%	4.8%
Business & Govt	3.5%	19.0%

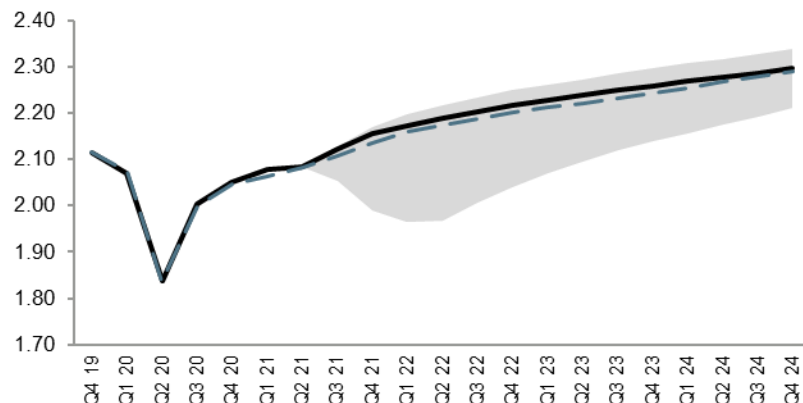
(1) As per balance sheet total net loans.

(2) As per balance sheet total deposits, excluding deposits from deposit-taking institutions and wholesale funding.

APPENDIX 14 | RANGE OF MACROECONOMIC SCENARIOS - IFRS9

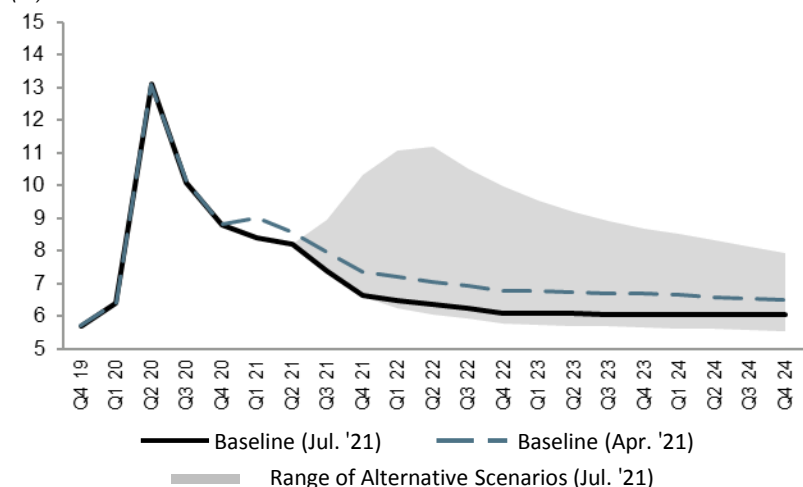
Canada Real GDP

(\$ Trillions)



Canada Unemployment Rate

(%)



NBC Macroeconomic Forecast: Q3/21 vs. Q2/21


(Full Calendar Years)

Base Scenario	C2021	C2022
Real GDP (Annual Average % Change)		
As at Apr. 30, 2021	5.4%	4.0%
As at Jul. 31, 2021	6.0%	4.0%
Unemployment Rate (Average %)		
As at Apr. 30, 2021	8.2%	7.0%
As at Jul. 31, 2021	7.7%	6.3%
Housing Price Index (Q4/Q4 % Change)		
As at Apr. 30, 2021	4.5%	1.0%
As at Jul. 31, 2021	10.8%	(1.5%)
WTI (Average US\$ per Barrel)		
As at Apr. 30, 2021	62	63
As at Jul. 31, 2021	66	68
S&P/TSX (Q4/Q4 % Change)		
As at Apr. 30, 2021	15.1%	3.0%
As at Jul. 31, 2021	21.7%	3.0%
BBB Spread (Average Spread %)		
As at Apr. 30, 2021	1.5%	1.7%
As at Jul. 31, 2021	1.5%	1.6%

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