



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.



Agenda

- ▶ **Opening Remarks**
Louis Vachon, President and Chief Executive Officer
- ▶ **P&C Banking Overview and Strategy**
Diane Giard, EVP, Personal and Commercial Banking
- ▶ **Distinctive Marketing Operating Model**
Karen Leggett, EVP Marketing and Corporate Strategy
- ▶ **Multi-channel Investment Roadmap**
David Furlong, SVP Marketing, Experience Delivery and Transformation
- ▶ **Sales Excellence**
Lucie Blanchet, VP Sales and Service, Personal & Commercial Banking
- ▶ **Unlocking Efficiency**
Jacques Chamberland, VP Business Strategy and Efficiency, Personal and Commercial Banking
- ▶  **15' break**
- ▶ **Retail Banking Growth**
Yann Jodoin, SVP Marketing, Client Strategy and Retail Solutions
- ▶ **Commercial Banking Growth**
David Pinsonneault, SVP Commercial Banking and International
- ▶ **Key Takeaways**
- ▶ **Q&A**

Today's objectives

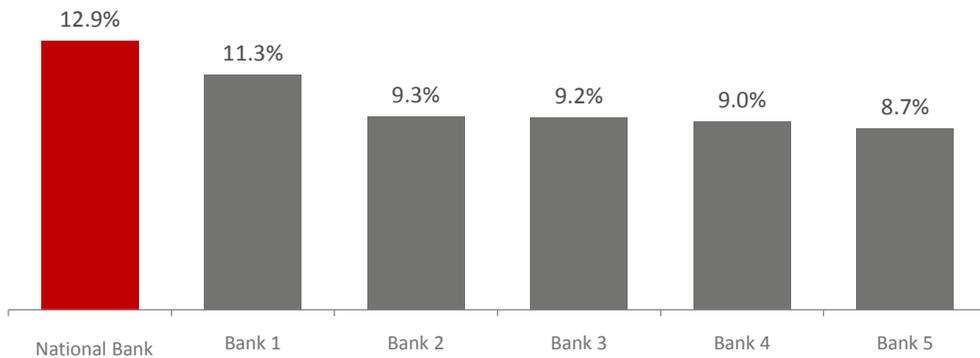
- ▶ Solid growth opportunities in and outside Quebec
- ▶ More investments in technology
- ▶ Key drivers of efficiency gains

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Strong total shareholder return

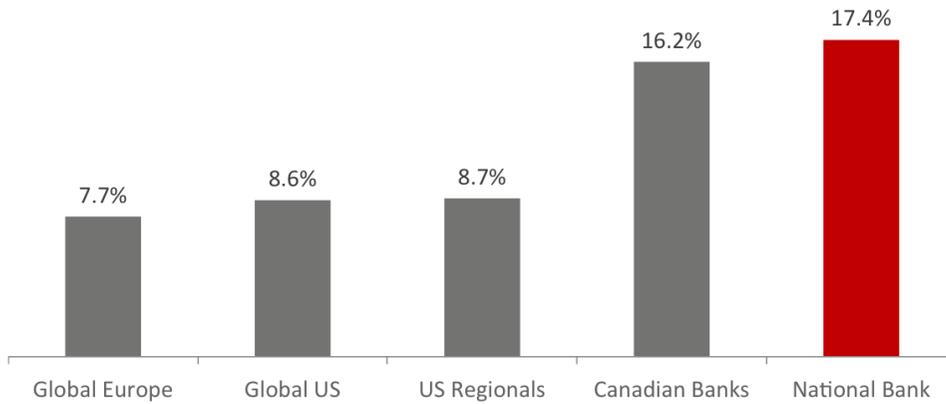
TOTAL SHAREHOLDER RETURN
(CAGR – 5 year ended March 31, 2015)



6 Source: Thomson Reuters



2015 ROE consensus higher for National Bank

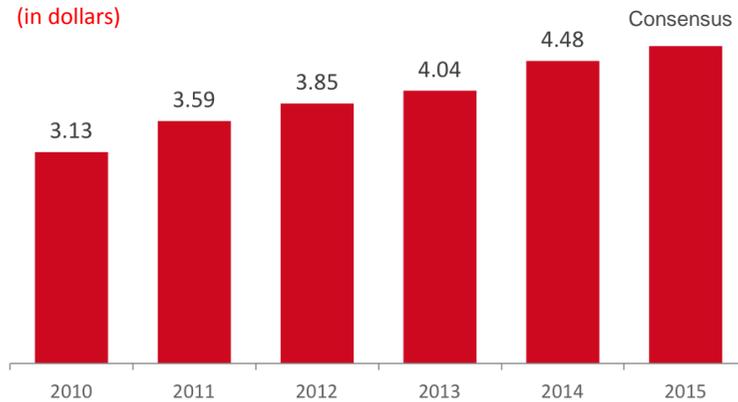


7 Source: Thomson Reuters



National Bank: consistent performance over time

EARNINGS PER SHARE¹
 (in dollars)



5-year CAGR:
+7.9%

Mid term EPS Target:
+5-10%

¹ Figures for 2010 are presented in accordance with previous Canadian GAAP. 2011 and forward are presented in accordance with IFRS. Figures for 2012 to 2014 have been adjusted to reflect changes in accounting standards. EPS excludes specified items. Source: Thomson Reuters

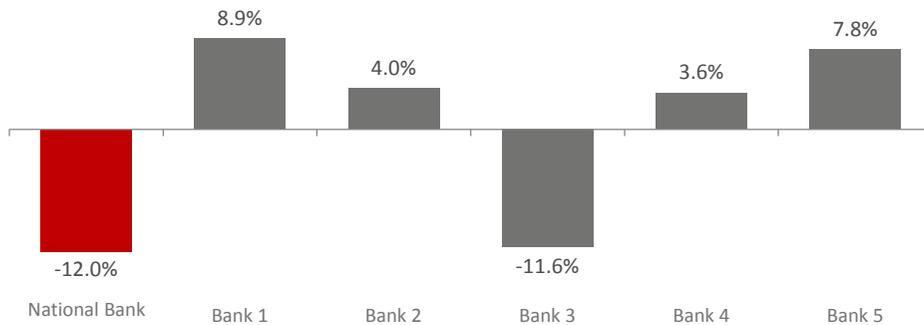
8



National Bank: P/E not reflecting its consistent performance

CANADIAN BANKS

P/E premium or discount¹



¹: P/E premium or discount represents closing share price as at period ended Q1 2015 divided by rolling 4-quarter EPS, excluding special items.
9 Source: Thomson Reuters



A sound balanced approach to capital management

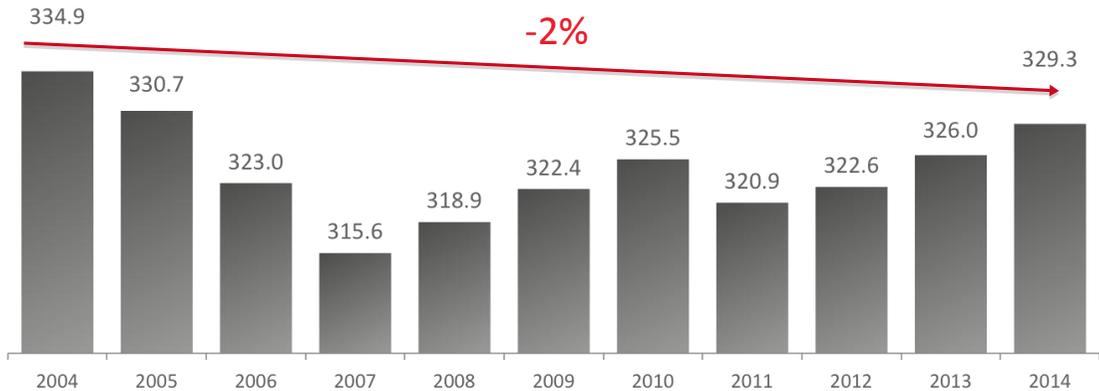
PROVIDING TOP SHAREHOLDER RETURN

- ▣ Invest to gain efficiency and stimulate organic growth
- ▣ Small acquisitions with cultural connections
- ▣ Solid dividend growth and complementary buy back program



Common shares outstanding down 2% since 2004

FOR YEARS ENDED OCTOBER 31
 (in millions of shares)

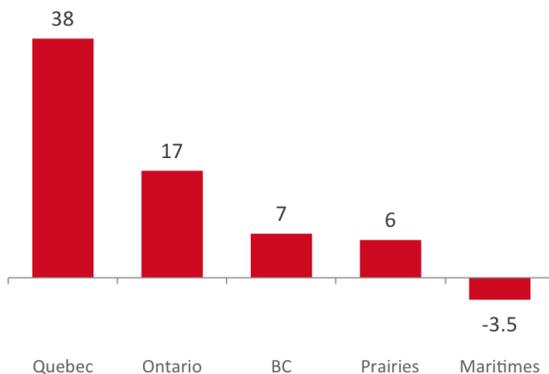


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Positive economic indicators from Central Canada

EMPLOYMENT GAINS
 January – March 2015
 (in thousands)



- ▣ Quebec has accounted for more than half of all jobs created in Canada in 2015
- ▣ Central Canada benefits from lower oil price and Canadian dollar
- ▣ Quebec economy: Balanced budget and improved fiscal conditions for enterprises

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Diversified business mix

All our business segments will contribute to consolidate our strong Quebec franchise and **grow our revenues outside Quebec above 40% in 2015**

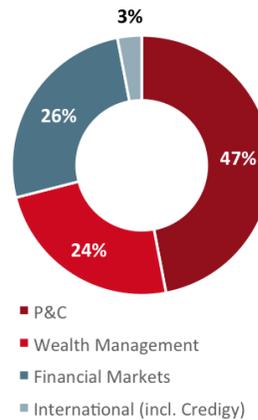
P&C new business model

Wealth Management growth from brokerage services, Private Wealth 1859 and Intermediary Solutions

Financial Markets remains a key performance driver

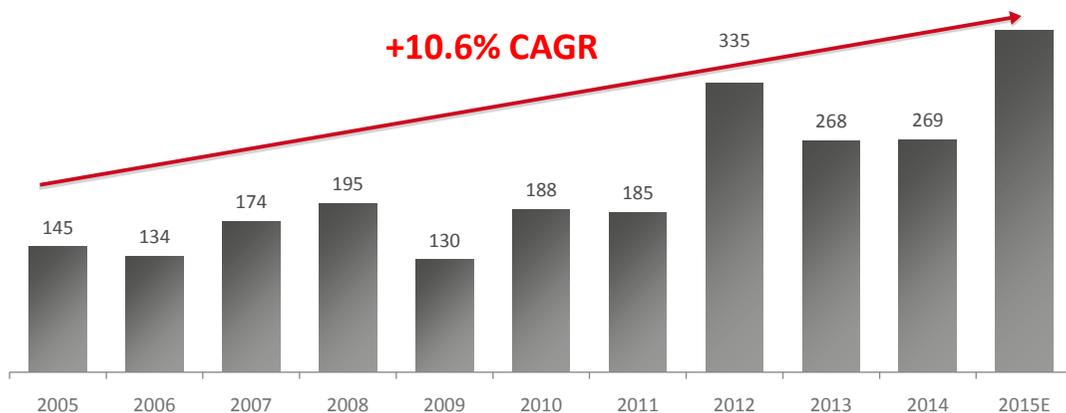
International: Credigy and first steps to replicate the super regional model in selected countries

REVENUE BREAKDOWN (%)
 (Q1 2015)



In-year project cash-out in technology: keeping the momentum

(in millions of dollars)



Driving P&C efficiency by investing in people and technology

KEY DRIVERS IN P&C BANKING

Consolidating our position in our Quebec franchise

Continued emphasis in commercial across Canada

More investments in technology and people

Leverage opportunities on efficiency gains

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2015 P&C Investor Day



DIANE GIARD

EVP, PERSONAL AND COMMERCIAL BANKING



KAREN LEGGETT

EVP, MARKETING AND CORPORATE STRATEGY

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Powering your ideas

P&C BANKING OVERVIEW AND STRATEGY

DIANE GIARD

EVP, PERSONAL AND COMMERCIAL BANKING

Driving P&C efficiency by accelerating investment in people, capabilities and technology



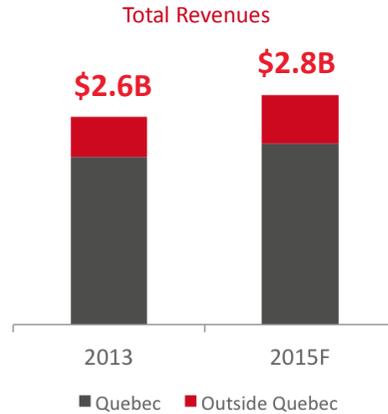
The business today

Employees **8,500+** (1,300 outside Quebec)
 Branches **450+**
 Banking machines **2,515** (931 NBC)

Retail clients **2.3M**
 Business clients **135K**

- ❑ **\$2.8B** in Revenue¹
- ❑ **\$1B** in NIBT¹
- ❑ **Maintaining stable net interest margins**
- ❑ **Sound risk management**

A STRONG QUEBEC FRANCHISE
 GROWING STEADILY ACROSS CANADA



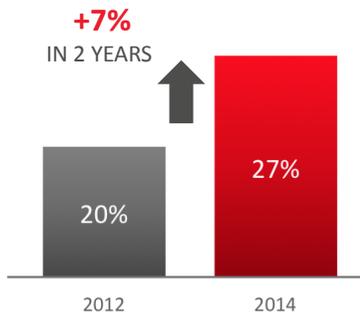
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¹: Q1-2015 data annualized to October 31, 2015 and applicable for the entire Investor's Day presentation (2015F), unless otherwise specified

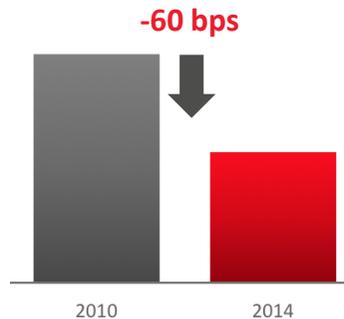


Increased client loyalty and brand awareness in Quebec resulting in reduced client attrition

NET PROMOTER SCORE



CLIENT ATTRITION RATE

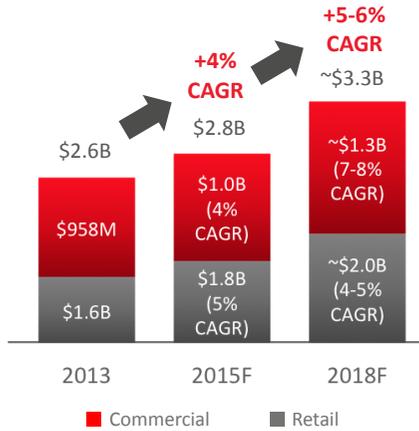


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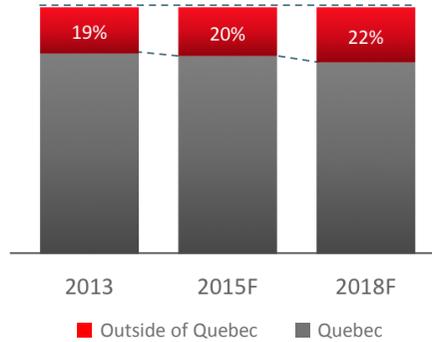


Continued strong top line performance expected through 2018

TOTAL REVENUE (\$)



REVENUE BY GEOGRAPHIC MIX (%)

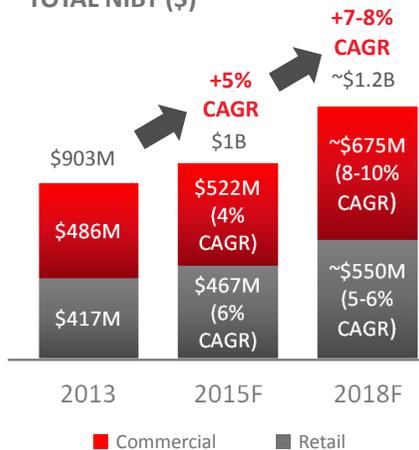


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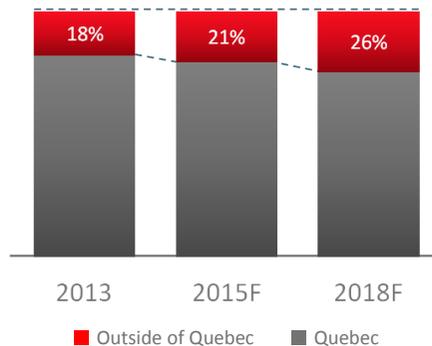


Solid bottom line performance with accelerating growth across Canada

TOTAL NIBT (\$)



NIBT BY GEOGRAPHIC MIX (%)

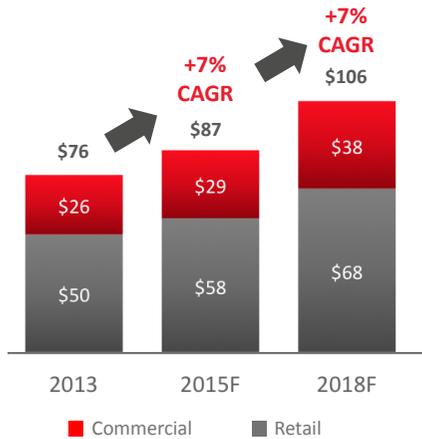


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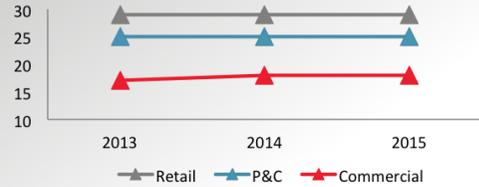
Our loan volume growth is outpacing our peer average while maintaining stable margins and a low risk profile

LOAN VOLUME (\$B)

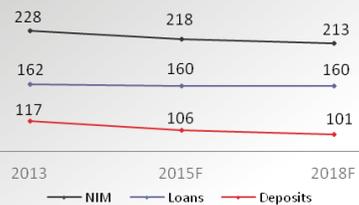


PCL (bps)

Target PCL: 20–30bps

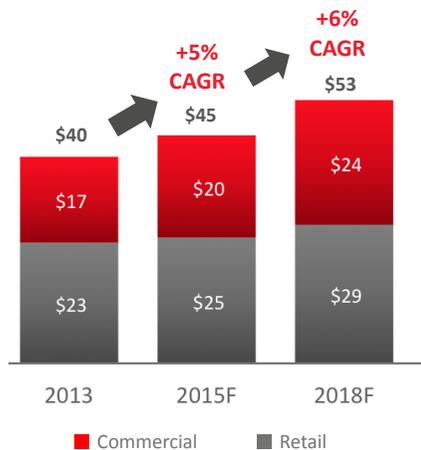


NIM (bps)

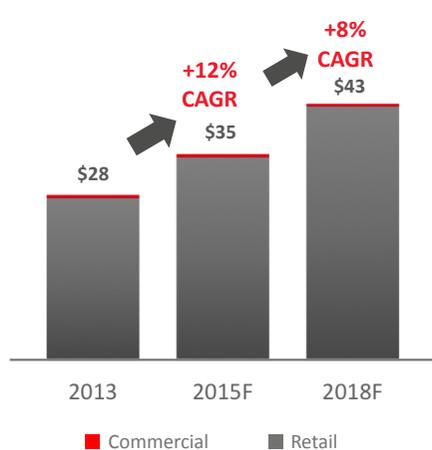


Sound growth in both deposit and investment volumes

DEPOSIT VOLUME (\$B)



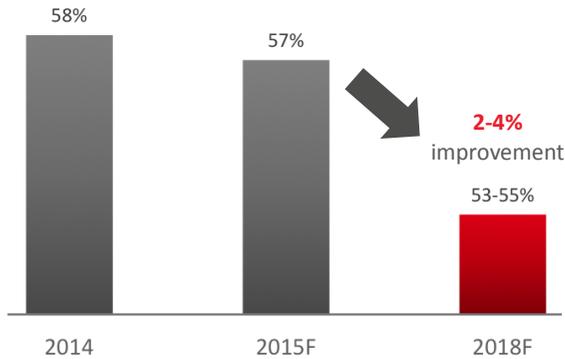
INVESTMENT VOLUME (\$B)



Cost transformation is key to improving our P&C efficiency ratio

RETAIL AND COMMERCIAL BANKING

Efficiency ratio (%)



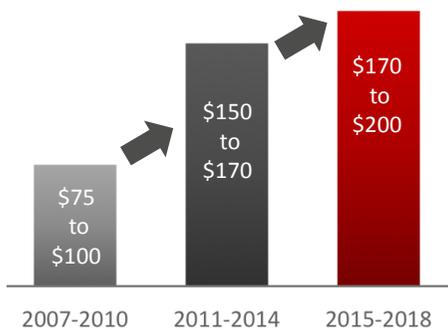
We have delivered significant growth and increase our investments while controlling costs

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Higher ROI from increased spend on people and technology

AVERAGE P&C INVESTMENTS PER YEAR (\$M)



SHIFTING INVESTMENT PROFILE

- 1 Foundational investments from 2011 to 2014 now generating benefits
- 2 New initiatives will leverage these foundational investments to accelerate future benefits
- 3 Pursue investments in people and process improvements to capitalize on new capabilities

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Focus areas to achieve our targets

INCREMENTAL REVENUE AND NIBT BREAKDOWN BY 2018

Approximate numbers

	Retail Banking	Commercial Banking	P&C
Revenue 2015F	\$1.8B	\$1.0B	\$2.8B
Distinctive Operating Model	\$110M	\$30M	\$140M
Sales Excellence	\$30M	\$15M	\$45M
Unlocking Efficiency	\$20M	\$5M	\$25M (+\$65M cost savings ¹)
Key strategic initiatives	\$100M	\$190M	\$290M
INCREMENTAL REVENUE GROWTH	+\$260M	+\$240M	+\$500M
Revenue 2018F	\$2.0B	\$1.3B	\$3.3 B
NIBT in 2018F	\$550M	\$675M	\$1.2B

27 ¹\$65M in cost savings from Unlocking Efficiency are included in our \$240M NIBT target.

+\$240M NIBT increase by 2018



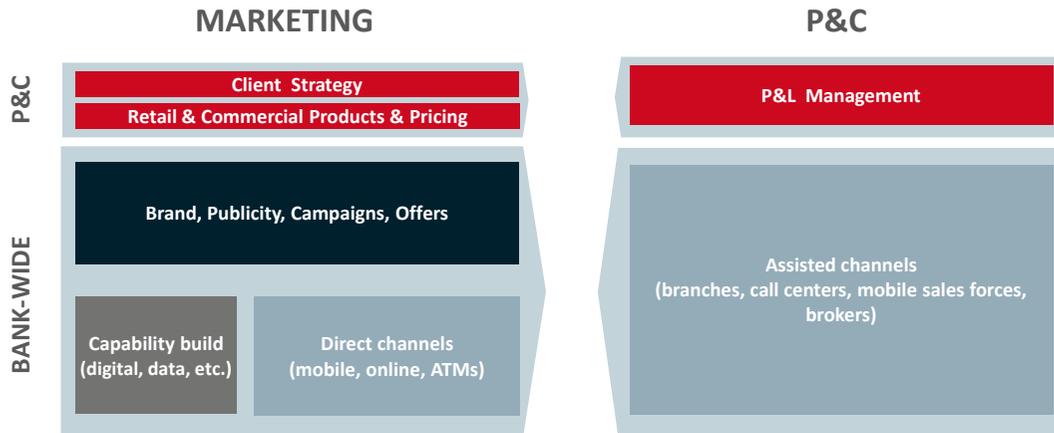
Powering your ideas

DISTINCTIVE MARKETING OPERATING MODEL

KAREN LEGGETT

EVP, MARKETING AND CORPORATE STRATEGY

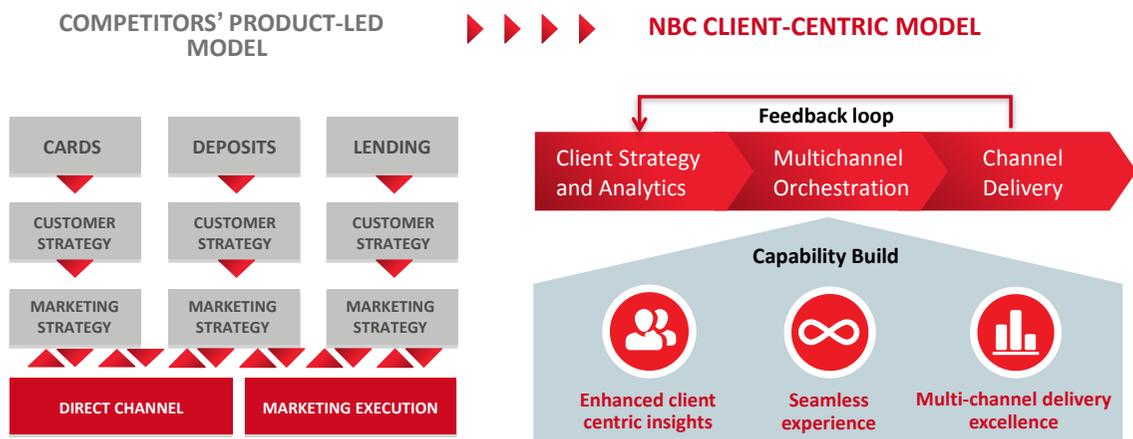
Building on 1C1B, a structure with clear distinction between Marketing and P&C sales & distribution



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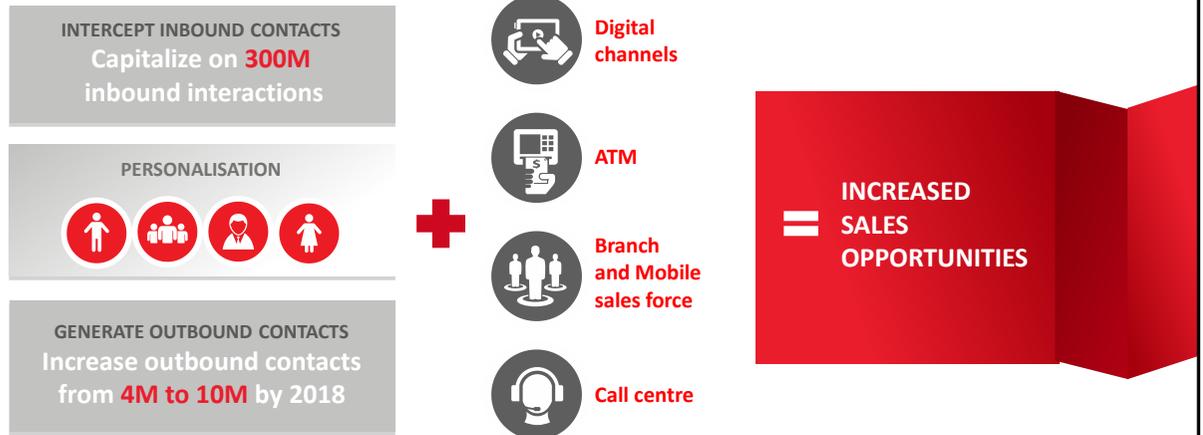
We have implemented a differentiated model that organizes NBC to anticipate and deliver against client expectations across channels



30



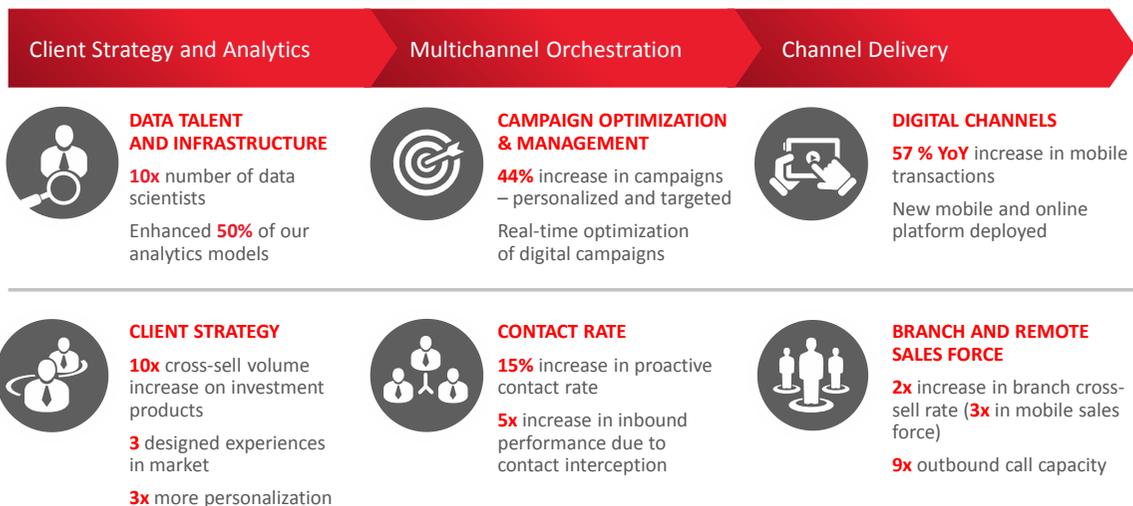
We are using data & analytics to anticipate clients' intentions and personalize interactions



31



We are well into the journey with results from the last 12 months

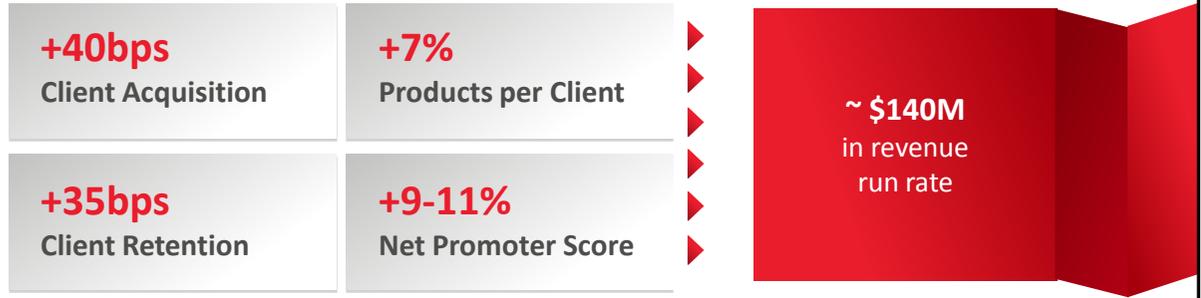


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This distinctive model will enable us to outperform in client acquisition, cross-sell, retention and loyalty

OUTCOME BY 2018



Powering your ideas

MULTI-CHANNEL TECHNOLOGY INVESTMENT ROADMAP

DAVID FURLONG

SVP, MARKETING, EXPERIENCE DELIVERY & TRANSFORMATION

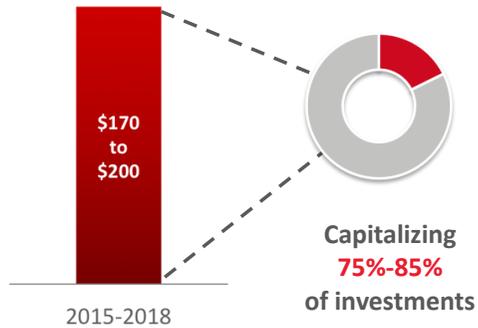
We are well positioned to deliver our targets as we increase our investments in client and staff enabling capabilities

DELIVERED IN LAST 18 MONTHS

- ❑ Data Discovery platform (“Big Data”) and upgraded analytics ecosystems
- ❑ Campaign automation platform
- ❑ New mobile infrastructure and iPad application
- ❑ Industry leading public website infrastructure and digital marketing capability
- ❑ Deployed new call centre infrastructure
- ❑ Optimized mortgage origination platform
- ❑ Upgraded teller platform
- ❑ New global trade platform

2015-2018 AVERAGE P&C INVESTMENTS

Future investments will be weighted toward building new capabilities (\$M)



By 2018 we will increase our client analytics capabilities to drive more relevant and proactive responses to client needs...



DATA

- ★ Single data ecosystem with a complete view of the client
- ★ Integrated third-party and digital data to improve predictive modeling



ANALYTICS

- ★ Significant increase in data sets in Data Discovery Platform to derive new insights
- ★ Integration of analytical environments allowing real-time optimization of models

Embed predictive tools in ALL channels for real-time personalization



CLIENT STRATEGY

- Deeper segmentation and personalization strategies
- Real-time optimization of campaigns and strategies



...optimize cross-channel interactions to put the right personalized offer in front of clients to drive significant sales opportunities



CAMPAIGN AUTOMATION AND ORCHESTRATION

- ★ Inbound intercept capability deployed across all channels
 - ★ Leading capability in event detection and offer triggering
- Client driven alerts and notifications
- Cross-channel suspend and resume functionality for core product sales



SALES FORCE TOOLS

- Drive sales by using a single leads and orchestration tool across channels
- Provide differentiated experience by integrating the leads tool with:
- Video capabilities for authentication & interaction
 - Document sharing between staff & client
 - Collaboration tools to enable extension of specialist model

37 ★ Indicates market-leading capability



...and use our cross channel architecture to deliver personalized client experiences in a multi-channel environment to improve close rates



ATM

Intercept our 60M+ interactions with one-to-one marketing capabilities

Expanded network plus limited video teller trials



BRANCH AND MOBILE SALES FORCE

- ★ Using new software suite and image capture through tablets
- New branch design and footprint in deployment



CALL CENTRE

Integrated desktop platform with leads management, video and collaboration

Complete the call centre pivot from service-centric to sales-centric organization



DIGITAL CHANNELS

- ★ Digitally originate all core products
- Full suite of mobile solutions

38 ★ Indicates market-leading capability



We are well positioned to embrace the emerging payments landscape

CANADIAN PAYMENT MARKET CONDITIONS

New players are entering the value chain

Clients and merchants insist on ubiquitous solutions

No fully defined, or dominant, mobile payment solution as of yet

OUTCOME BY 2018

Our approach is to be a fast follower

We are investing in infrastructure

We will seek out opportunities to partner

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Powering your ideas

SALES EXCELLENCE

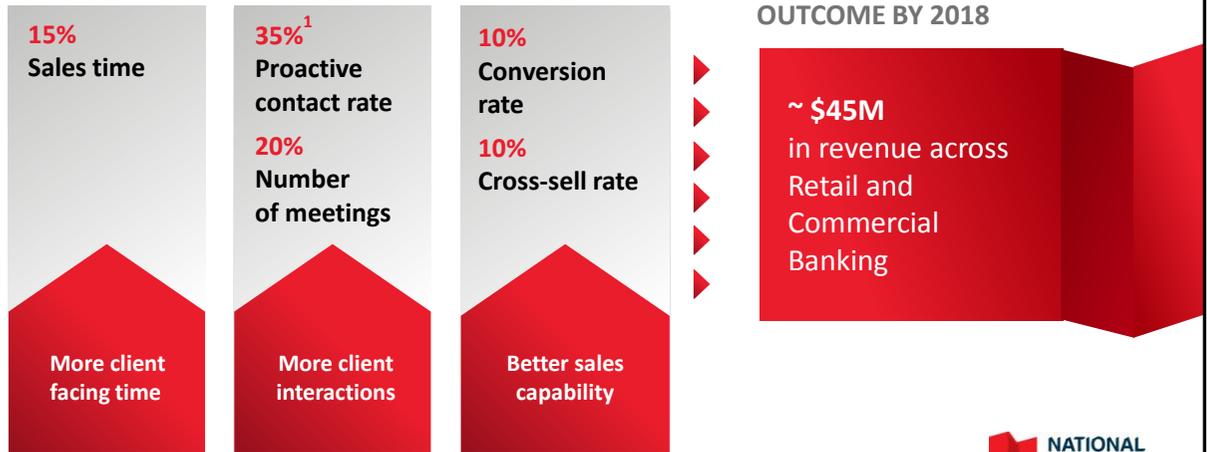
LUCIE BLANCHET

VP, SALES AND SERVICE, PERSONAL AND COMMERCIAL BANKING



Enabling our sales force to drive top line growth

SALES EXCELLENCE IMPACTS



41 1: in assisted channels



Key strategic initiatives to achieve our targets

- 1 Align sales force to the highest-value opportunities
- 2 Institutionalize new skills and knowledge through a unique certification program
- 3 Enable the sales force with more relevant and personalized leads, and more effective sales tools

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1 Align sales force to the highest value opportunities

OUTCOME BY 2018



Evolve client assignment model



Anticipate **20%** of client migration to a relationship based value proposition



Adjust advisory roles to better fit client needs



50% increase in allocation of senior bankers
 Created **100** universal banker roles



Expand remote sales force scope of solutions



Mortgage origination and renewal for call centre
 Increase mobile sales force cross-sell revenue by **35%**



2 Institutionalize new skills and knowledge through a unique certification program

ONBOARDING TRAINING

- ❑ Enhance onboarding training for all **advisory roles**
- ❑ **2x** the number of trainers



SALES SUPPORT

- ❑ Build a network of **coaches**
- ❑ Standardize sales approach
- ❑ Enhance sales tools
- ❑ Execute coaching routine



3 Enable the sales force with more relevant and personalized leads, and more effective sales tools

Increase volume and relevance of **sales leads** from our distinctive marketing model

Deployment of a **CRM solution** to provide the sales force with real-time access to client profiles and targeted actions

Free up sales capacity through reduction in administrative burden as part of sales efficiency program

Better understanding of client needs and increased capacity to drive sales



Powering your ideas

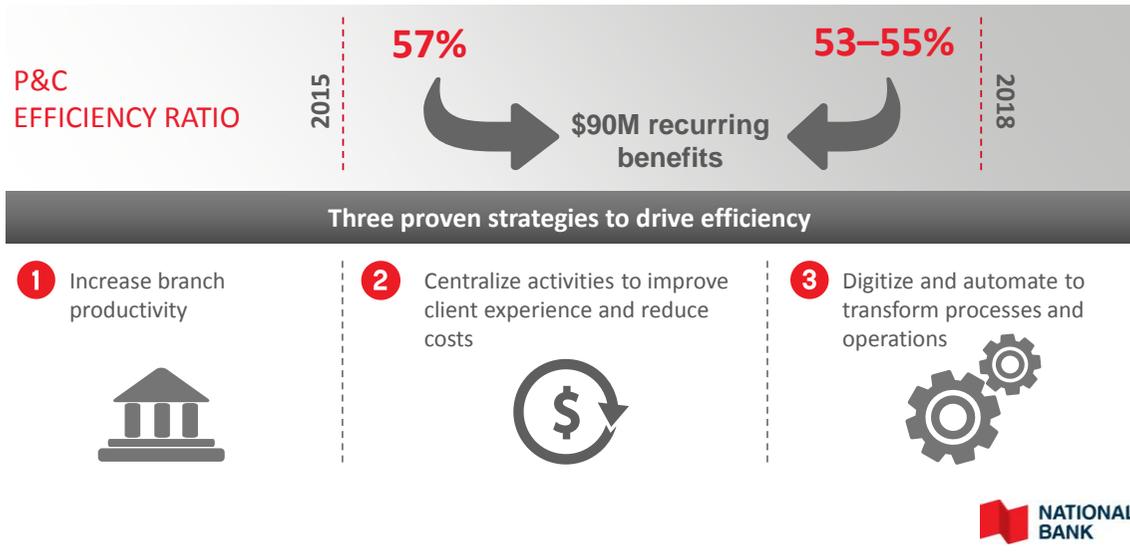
UNLOCKING EFFICIENCY

JACQUES CHAMBERLAND

VP, BUSINESS STRATEGY AND EFFICIENCY, PERSONAL AND COMMERCIAL BANKING



Our plan will enable us to sustain growth and increase our investments while reducing costs through proven initiatives



Prior and ongoing initiatives have generated savings and created a culture of operational excellence

PRIOR AND ONGOING INITIATIVES	KEY OUTCOME
Systematic adjustment of front line staffing model	Annual savings of ~3% across the distribution network
Operations site consolidation and strategic capacity planning	Reduced sites from 15 to 5. Absorbed transactional growth and improved productivity by 5%
Vendor management program	Renegotiated 3rd party contracts resulting in savings of \$18M/year
First phase of branch optimization	Achieving \$15M in annual savings

1 Increase branch productivity

Streamline operations and eliminate non-value added tasks

Improve scheduling and workforce management

Realize real estate savings through footprint optimization

Optimize revenues



OUTCOME BY 2018

~\$15M
run rate savings



~\$25M
revenue lift

2 Centralize activities to improve client experience and reduce costs

Accelerate transaction migration to unassisted channels

Leverage partnerships and optimize third-party contracts

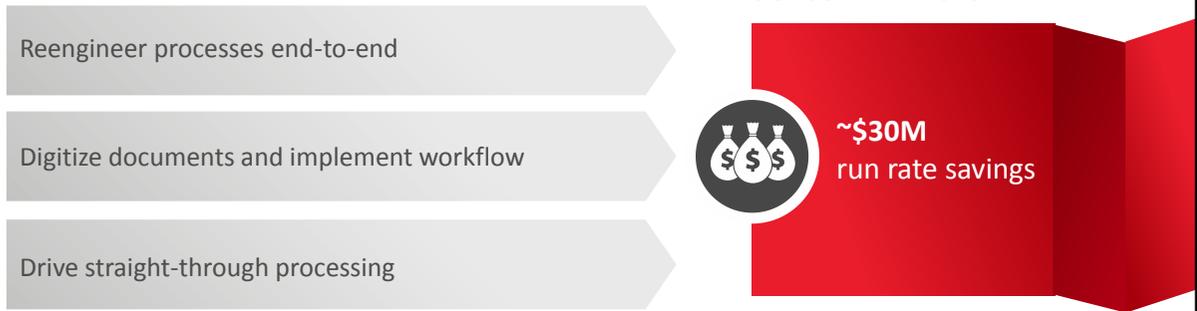
Centralize remaining non-client facing tasks



OUTCOME BY 2018

~\$20M
run rate savings

3 Digitize and automate to transform our processes in operations



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Unlocking our efficiency potential

TOTAL RECURRING BENEFITS BY 2018 (\$M)



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Powering your ideas

RETAIL BANKING GROWTH

YANN JODOIN

SVP, MARKETING, CLIENT STRATEGY AND RETAIL SOLUTIONS

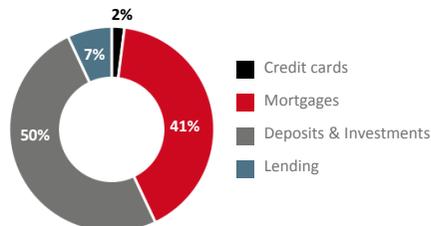
Retail Banking: the business today

Employees **7,400+**
Retail clients **2.3M**
Branches **450+**

\$1.8B in Revenue and **\$467M** in NIBT
\$58B in Loan Volume
\$59B in Deposit & Investment Volume

Retail Banking
is the main
contributor to
NBC's revenue

RETAIL BANKING
VOLUME MIX 2014



We have maintained strong retail market share despite increased competition

QUEBEC MARKET SHARE



16%
 Market share in **personal lending**



17%
 Market share in **deposits**
 and **investments**

We are focused on growing our retail banking presence in Quebec and in key regions across Canada

Stable risk profile with **PCL** of **29 bps**

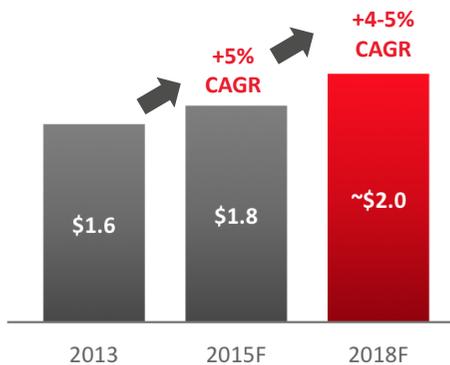


58% LTV on uninsured portfolio

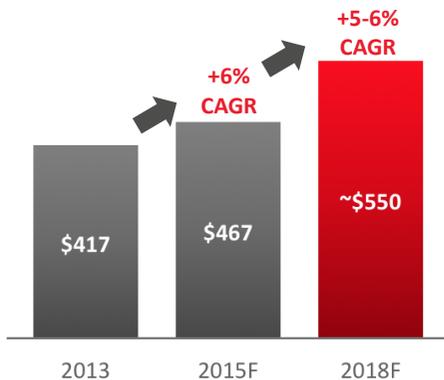


Solid top and bottom line performance with sustained growth forecast through 2018

RETAIL BANKING REVENUE (\$B)

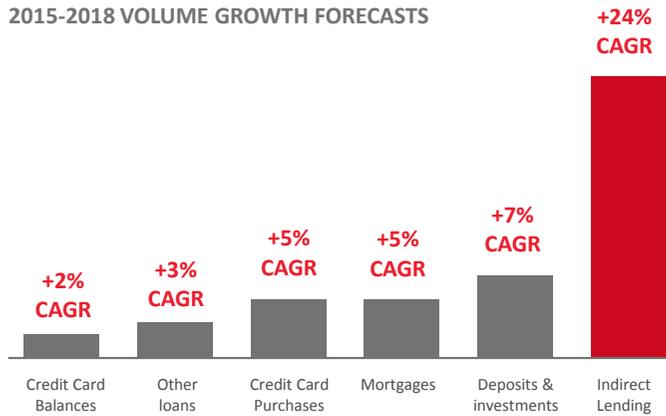


RETAIL BANKING NIBT (\$M)



2018 product volume growth targets

2015-2018 VOLUME GROWTH FORECASTS



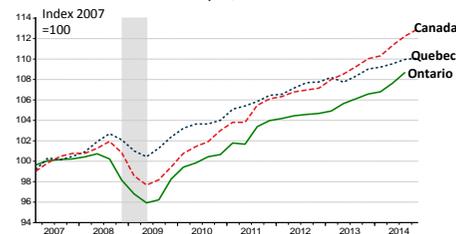
Well diversified portfolio with solid growth across all products

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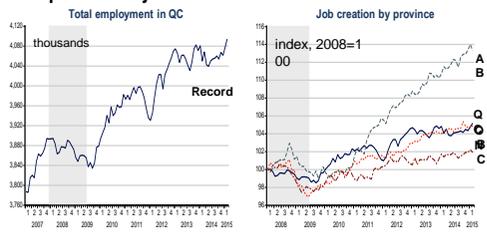
Market fundamentals support solid growth in Quebec

Real GDP level Canada, Quebec and Ontario



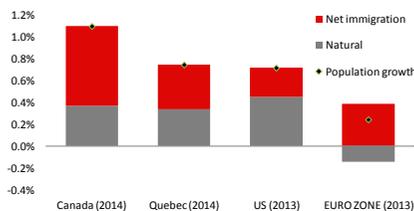
NBF Economics and Strategy (data from Statistics Canada, ISQ and Ontario Ministry of Finance)

Perspective on job creation



FBN Economie et Stratégie (données de Statistique Canada)

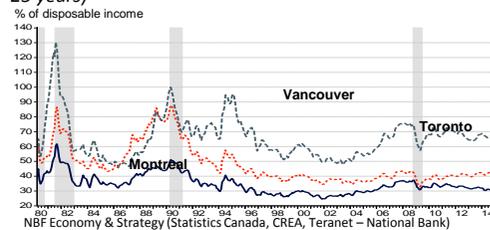
Canada: Population growth boosted by migration



NBF Economy & Strategy (data via Statistics Canada, U.S. Census, Eurostat)

Perspective on home affordability

Monthly mortgage payment on the average priced home (amortization 25 years)



NBF Economy & Strategy (Statistics Canada, CREA, Teranet - National Bank)

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Key strategic initiatives to achieve our targets

ACQUIRE

Attract and acquire new clients in key segments

CROSS-SELL

Deepen share of wallet by leveraging our distinctive model to shorten the cross-sell cycle

EXPAND

Use anchor products to grow across Canada

OUTCOME BY 2018

~\$100M
increase
in revenue

59

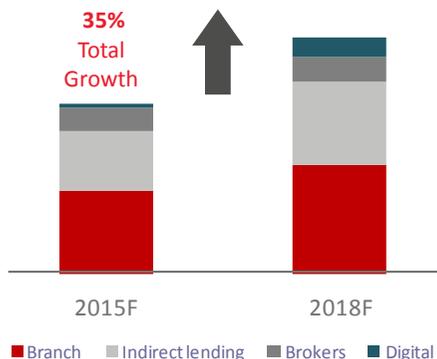


ACQUIRE

Increase client acquisition with new services and a differentiated experience for high growth segments

OUTCOME BY 2018

Channel generated acquisition growth



YOUTH

- ❑ Launch mobile-centric financial services experience
- ❑ Simplified onboarding and servicing

SEGMENT D (DIGITAL)

- ❑ Leverage digital assets to target prospects by intercepting online research
- ❑ Use remote origination to acquire and convert sales online

NEW ARRIVALS

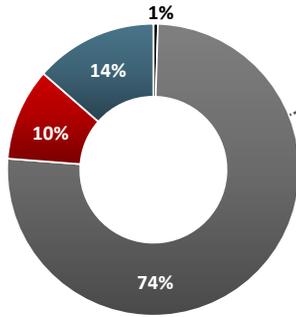
- ❑ Remote account origination and onboarding from country of origin
- ❑ Leverage existing and establish new international partnerships to extend reach
- ❑ Tailor risk and pricing models across life cycle

60

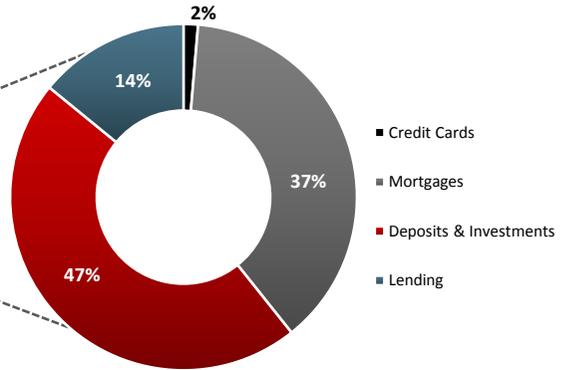
CROSS-SELL

Our operating model will shorten our cross-sell cycle and deepen share of wallet

TOTAL VOLUME FROM CLIENTS WITH <3 YEARS TENURE



TOTAL VOLUME FROM CLIENTS WITH 5-9 YEARS TENURE



OUTCOME BY 2018

Shorten the existing cross sell cycle by 3 years leveraging the improvement of proactive outbound contacts from 4M to 10M

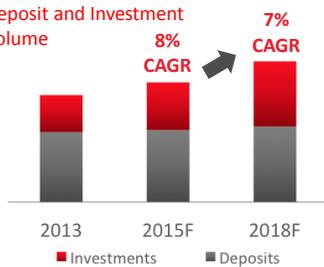


CROSS-SELL

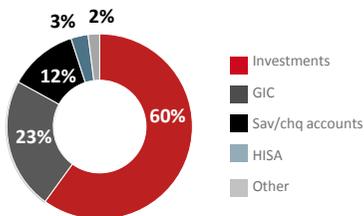
Capture deposit and investment cross sell opportunities from existing NBC clients

OUTCOME BY 2018

Deposit and Investment Volume



% VOLUME BREAKDOWN BY PRODUCT



CROSS SELL DEPOSIT AND INVESTMENT PRODUCTS TO UNDERPENETRATED CLIENT BASE

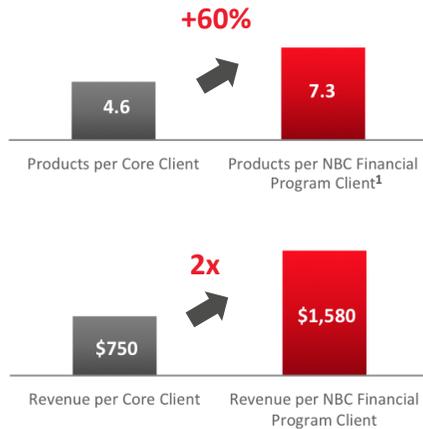
- ❑ Engage clients with innovative approach to financial planning
- ❑ Increase number of senior bankers
- ❑ Align sales force resources to the highest value opportunities
- ❑ Use enhanced analytics to identify high potential cross sell clients based on their portfolio allocation



EXPAND

We will double the number of clients in our high value affinity programs

AFFINITY GROUPS 2014



- ❑ Increase the percentage of clients in affinity programs from **6% to 11%**
- ❑ Optimize relationship pricing and elasticity for retention
- ❑ Add new professional affinity groups
- ❑ Expand value added services beyond banking products

63 1: Financial program clients include engineers, doctors, accountants, lawyers etc.

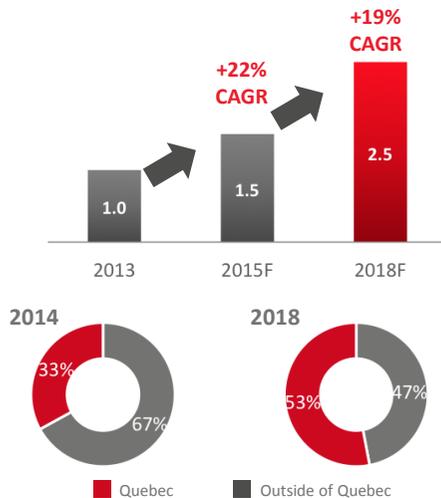


EXPAND

Build upon our indirect lending strength to drive growth across Canada while maintaining our current risk profile

OUTCOME BY 2018

Indirect lending origination volume (\$B)



EXPAND DEALER NETWORK

- ❑ Double the size of the sales team primarily outside of Quebec
- ❑ Increase merchant / dealer relationships by **30%**

PROCESS & TECHNOLOGY ENHANCEMENTS

- ❑ Launch POS express financing
- ❑ Increase instant decisioning to **> 85%** of transactions
- ❑ End to end process automation

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■ Quebec ■ Outside of Quebec

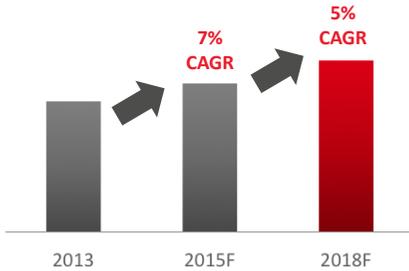


EXPAND

Continue to grow mortgage volumes through our market leading platform

OUTCOME BY 2018

Mortgage Volume



OPTIMIZE NEW ORIENTATION PLATFORM

- Fastest mortgage origination process in the market
- Enable multi product origination by integrating all lending and everyday banking products on a single platform
- Originate mortgages through digital channels to acquire and grow

MOBILE SALES FORCE CROSS-SELL

Products per client 12 months after origination

Region	Products per client
Outside of Quebec	2.70
Quebec	4.15

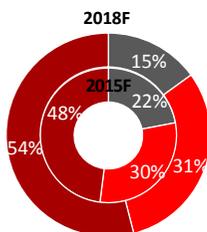
65



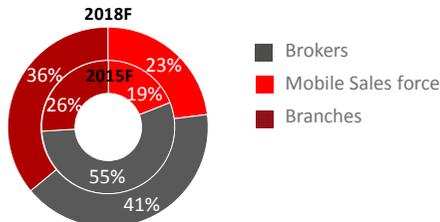
EXPAND

Continue to grow mortgage volumes through our diversified channel mix

CHANNEL ORIENTATION MIX – QUEBEC



CHANNEL ORIENTATION MIX – OUTSIDE QUEBEC



- Brokers
- Mobile Sales force
- Branches

EXPAND CHANNEL MIX

- Drive growth in footprint through expanded mobile sales force and branches
- Maintain broker channel to fulfill client preference and choice

RENEWAL FOCUS

- Leverage advanced analytics to renew **85%** of broker originated mortgages by identifying high potential renewals
- Maintain price discipline to capture widened margins on renewals

66

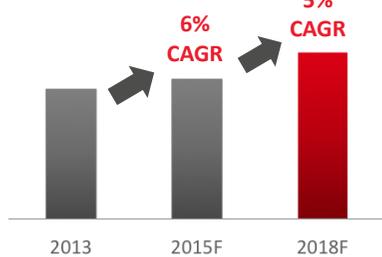


EXPAND

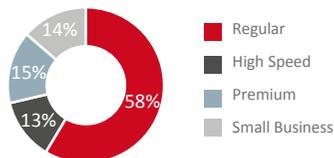
Expand credit cards and payments franchise

CREDIT CARDS

Purchase Volume Growth



CREDIT CARDS PORTFOLIO MIX



EXTEND REACH

- Establish new partnerships
- Further penetrate SME, commercial and corporate cards

EXPAND DIGITAL CAPABILITIES

- Enable remote origination and instant issuance

NEW PRODUCT INTRODUCTION

- Launch new cash back product

INTERCHANGE IMPACT

- Mitigated interchange impact as a result of our diversified product mix

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Retail Banking revenue growth 2018 breakdown

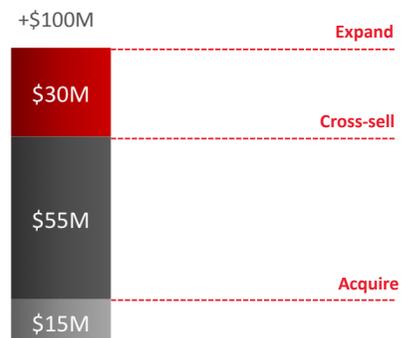
RECAP: INCREMENTAL REVENUE AND NIBT BREAKDOWN BY 2018

(\$ Approximate numbers)

	Retail Banking
Revenue 2015F	\$1.8B
Distinctive Operating Model	\$110M
Sales Excellence	\$30M
Unlocking Efficiency	\$20M
Key strategic initiatives	\$100M
	+\$260M
Revenue 2018F	\$2.0B
NIBT in 2018F	\$550M

KEY STRATEGIC INITIATIVES RESULTS BY 2018

(\$ Approximate numbers)



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Powering your ideas

COMMERCIAL BANKING GROWTH

DAVID PINSONNEAULT

SVP, COMMERCIAL BANKING AND INTERNATIONAL

Commercial Banking: the business today

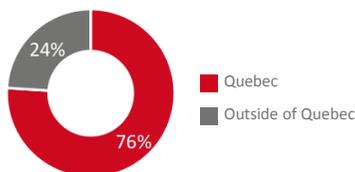
Clients **135,000**
 Employees **1,100**

46 Business Centres in Canada
5 Representative offices abroad

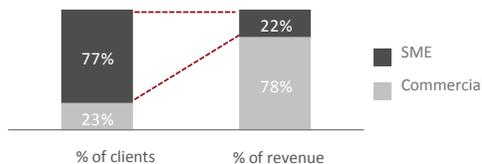
Loan Volume **\$29B**
 Deposit Volume **\$20B**

Commercial Banking
 is the largest
 contributor to P&C
 NIBT at 52%

COMMERCIAL REVENUE GEOGRAPHIC MIX



BUSINESS SEGMENT MIX



Building momentum on solid foundations



Leading position in Quebec for lending
24% market share
Loan volume: +6% CAGR
Deposit volume: +8% CAGR



In the last 2 years (outside Quebec):
Loan Volume: +10% CAGR
Deposit volume: +15% CAGR

Solid market position
 in Quebec and strong
 growth outside
 Quebec

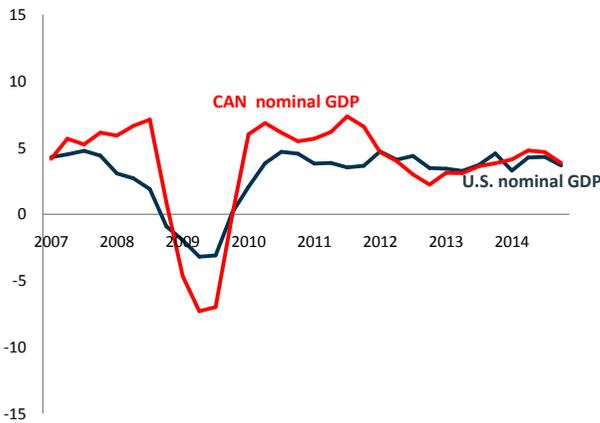
Diversified portfolio by industry
 Sound risk management
 Better than average **PCL of 18 bps**



Market fundamentals support 8% asset growth, we target 9%

US and Canadian economy in expansion

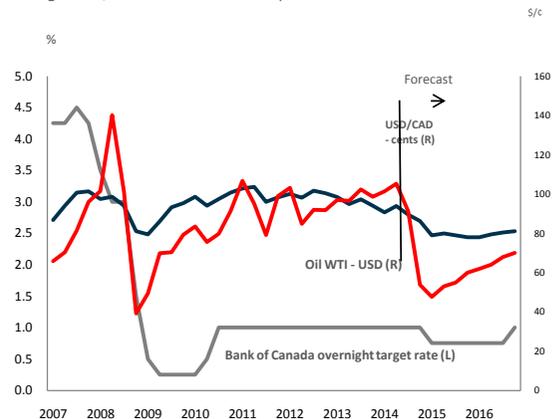
Real GDP year-over-year growth and share of exports going to the U.S.



Canada: Weak currency, low energy & interest rates

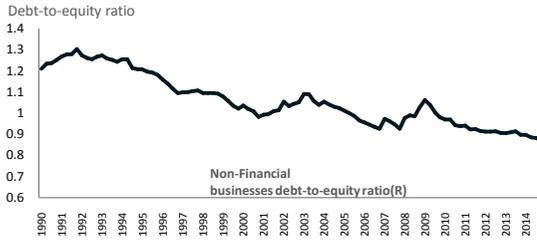
beneficial to a majority of our clients

BoC target rate, Canadian dollar and Oil price

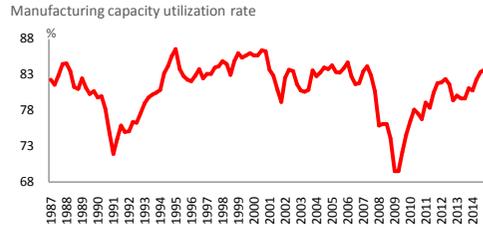


Market fundamentals support 8% asset growth, we target 9%

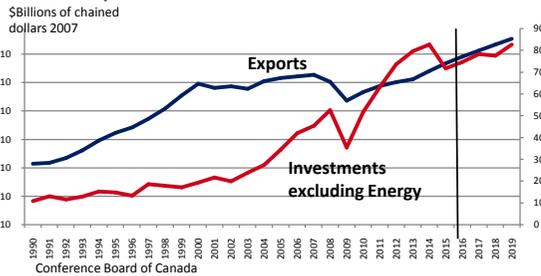
Strong balance sheet provides easier access to capital



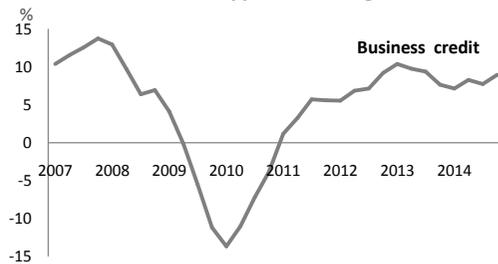
Additional capacity anticipated to meet market demand



Canada: Exports and Business investment on the rise



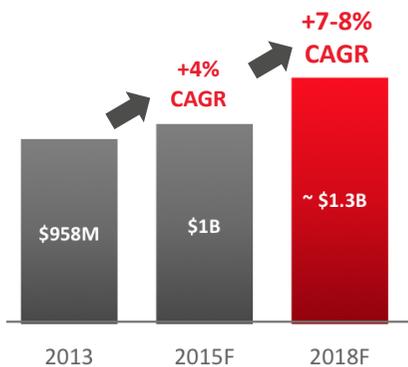
Market fundamentals support 8% asset growth



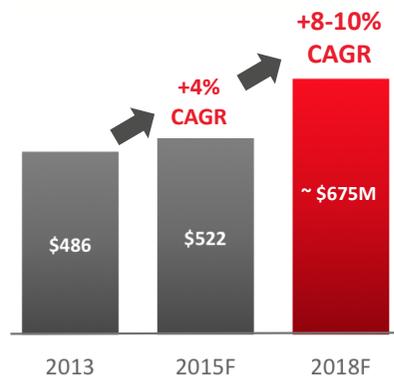
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Solid top and bottom line performance with accelerated growth expected through 2018

COMMERCIAL BANKING REVENUE (\$)



COMMERCIAL BANKING NIBT (\$M)



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Key strategic initiatives to achieve our targets

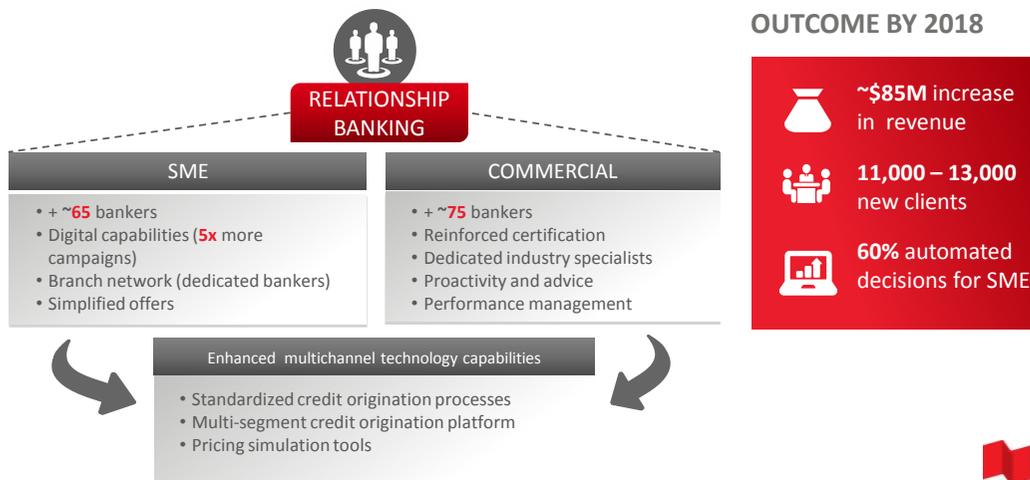
- 1 Scaling our client relationship model
- 2 Leveraging our leading position in lending to grow cash management and deposits
- 3 Accelerating growth across Canada through specialties

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1 Scaling our client relationship model to leverage our investments in people and technology

RELATIONSHIP BANKING POWERED BY A COMBINATION OF DIGITAL CAPABILITIES AND EXPERTISE ADAPTED TO EACH CLIENT SEGMENT

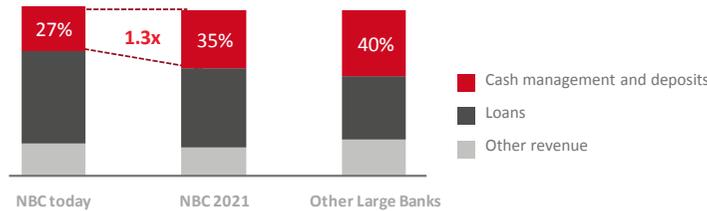


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2 Leveraging our leading position in lending to grow cash management and deposits

TARGET AND PEER REVENUE DISTRIBUTION



OUTCOME BY 2018

~\$25M increase in revenue by 2018, growing to ~\$55M by 2021

~\$4M reduction in operating costs per year

CAPITALIZING ON GROWTH POTENTIAL BY IMPLEMENTING ENHANCED SOLUTIONS

- ❑ Evolving payments capabilities
- ❑ Mobile functionality
- ❑ Electronic cross-border offering
- ❑ Information management and reporting
- ❑ Online servicing

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3 Accelerating growth across Canada through high potential industries...

TECHNOLOGY	HEALTHCARE	MOVIE AND TV
SUCCESS		
35% of market share in Quebec	Over 50% of market share for Pharmacy Franchises in Quebec	50% market share in Movie and TV production in Canada
OPPORTUNITIES		
7.5% of GDP growth since 2007 Continued government support with tax incentive programs Technology hub growth across Canada	Aging population Healthcare sector privatization	Favourable exchange rate bringing foreign productions into Canada
GROWTH STRATEGY		
Expand in Ontario Continue to capitalize on external partnerships	Offer bundled solutions (professionals, franchises) Develop synergies between retail clients, pharmacy and healthcare professionals	Capitalize on our deep expertise and unique offer Export success internationally (US & Europe)

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3 ... through major industries ...

REAL ESTATE	AGRIBUSINESS
SUCCESS	
25% YOY loan volume growth in 2014	+25% loan growth in Ontario in 2014
OPPORTUNITIES	
Under penetrated industry: NBC market share for real estate at 8% vs 9% overall	Worldwide population growth Increased demand from client preferences Market consolidation opportunities
GROWTH STRATEGY	
Add dedicated bankers across Canada Diversify portfolio both geographically and by asset types (commercial, industrial, residential) Foster disciplined portfolio practices	Add dedicated bankers across Canada Broaden product suite (e.g commodity hedging) Build on existing external partnerships

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3 ...and through specialized solutions to fuel our growth

BUSINESS TRANSFER	INTERNATIONAL SOLUTIONS
PROVEN SUCCESS	
Market leader 1,500+ transactions with >50% from new clients	Best in class Global Trade platform +15% revenue growth in the 1st year after launch
OPPORTUNITIES	
40% ownership change expected in the next 10 years	Globalization: Increased opportunities for import, export and risk management solutions
GROWTH STRATEGY	
Add dedicated specialist across Canada Leverage internal synergies (nationwide footprint of Wealth Management & Capital Markets)	Reinforce Global Trade platform capabilities (factoring, liquidity, risk management capabilities) Develop new trade finance products Leverage correspondent banking network

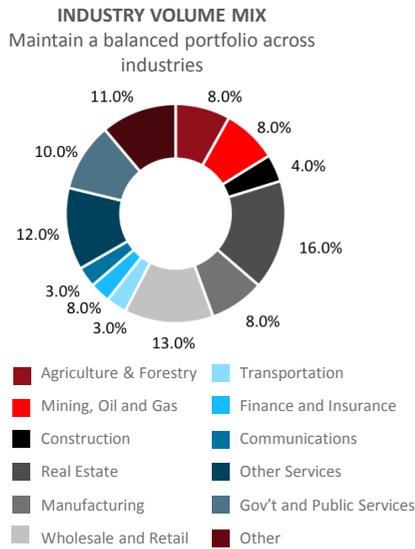
OUTCOME BY 2018

~\$80M increase in revenue
 Increased revenue per client (2x)
 Increased client acquisition (2x)

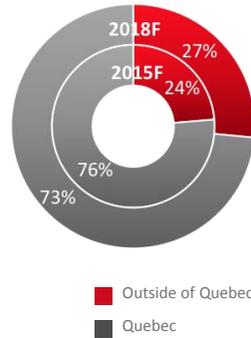


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Achieving superior growth while improving our risk profile through diversification



GEOGRAPHIC REVENUE MIX
 Improve diversification:
40% of growth from outside of Quebec

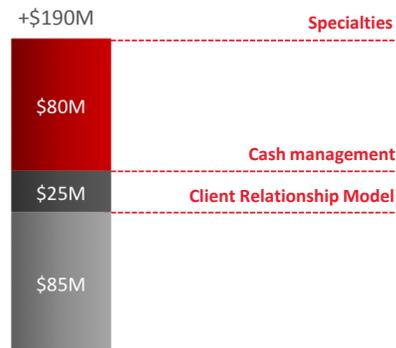


Commercial Banking revenue growth 2018 breakdown

RECAP: INCREMENTAL REVENUE AND NIBT BREAKDOWN BY 2018
 (\$) Approximate numbers

	Commercial Banking
Revenue 2015F	\$1.0B
Distinctive Operating Model	\$30M
Sales Excellence	\$15M
Unlocking Efficiency	\$5M
Key strategic initiatives	\$190M
	+\$240M
Revenue 2018F	\$1.3B
NIBT in 2018F	\$675M

KEY STRATEGIC INITIATIVES RESULTS BY 2018
 (\$) Approximate numbers





Focus areas to achieve our targets

INCREMENTAL REVENUE AND NIBT BREAKDOWN BY 2018

Approximate numbers

	Retail Banking	Commercial Banking	P&C
Revenue 2015F	\$1.8B	\$1.0B	\$2.8B
Distinctive Operating Model	\$110M	\$30M	\$140M
Sales Excellence	\$30M	\$15M	\$45M
Unlocking Efficiency	\$20M	\$5M	\$25M (+\$65M cost savings ¹)
Key strategic initiatives	\$100M	\$190M	\$290M
INCREMENTAL REVENUE GROWTH	+\$260M	+\$240M	+\$500M
Revenue 2018F	\$2.0B	\$1.3B	\$3.3 B
NIBT in 2018F	\$550M	\$675M	\$1.2B

84 ¹ \$65M in cost savings from Unlocking Efficiency are included in our \$240M NIBT target.

+\$240M NIBT increase by 2018