

Corporate
Social Responsibility
Statement

2019



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About us

Founded in 1859, National Bank of Canada offers financial services to individuals, businesses, institutional clients and governments across Canada. We're one of the six systemically important banks in Canada.

We carry out our activities in three sectors in Canada: Personal and Commercial Banking, Wealth Management and Financial Markets. A fourth sector, U.S. Specialty Finance and International, rounds out our domestic activities.

We're a top banking institution in Quebec, as well as a leader in targeted activities Canada-wide. Our head office is in Montreal and our securities are listed on the Toronto Stock Exchange (TSX: NA).

National Bank at a glance

(as at October 31, 2019)

25,487¹
EMPLOYEES

495²
BRANCHES

1,480³
BANKING
MACHINES

\$281
BILLION
TOTAL ASSETS

\$565
BILLION
ASSETS UNDER
MANAGEMENT AND
ADMINISTRATION

\$23
BILLION
STOCK MARKET
CAPITALIZATION

¹ Worldwide

² 422 in Canada, 70 in Cambodia and 3 in the United States (Florida)

³ 939 in Canada and 541 in Cambodia

Serving our clients better

At National Bank, our clients are at the heart of our activities. To better meet their needs, we're continuously improving our work methods, products and services, and facilities.

Improving accessibility for individuals

Once again this year, many initiatives were introduced to make it easier to access our facilities and banking services.

Physical network

National Bank continues to invest extensively in its branches and points of service to offer clients an environment that meets their expectations. For example:

- > Opened, redesigned and relocated nearly 20 branches to provide more modern and technologically advanced spaces that meet sustainable development standards and universal accessibility standards for people with reduced mobility. More branches are planned in the coming years.
- > Gradual changes made in Ontario, Saskatchewan and Manitoba branches to meet the new universal accessibility standards for people with reduced mobility, in compliance with regulatory requirements in those provinces.

Financial services

Other measures help us improve access to financial services and meet specific needs that some clients may have. For example:

- > Bank account offered without fees, if it's linked to a specific package, to certain client segments identified by the federal government as being financially vulnerable (seniors, people with disabilities, children, full-time students).
- > Monthly discounts applicable to most banking packages offered to some client segments, such as children under 18, full-time students aged 18 to 24 or people 60 and over.
- > Series of financial measures to help clients affected by the flooding that hit Eastern Canada, notably in Quebec, New Brunswick and Ontario.

Supporting small business financing

During the fiscal year, the Bank launched new initiatives to enhance its financing offer to small businesses. For example:

- > Support provided to start-up companies registered for targeted accelerator and incubator programs. These start-ups can also benefit from advantageous financing conditions up to a maximum amount.
- > Express export guarantee program for small- and medium-sized enterprises offered in partnership with Export Development Canada. The solution helps exporters obtain guaranteed loans more quickly and easily.
- > Financial offer provided to community, humanitarian and charitable organizations to help them carry out a number of free banking transactions.
- > The Lise Watier Foundation's Let's Start Up program for women in need. Powered by National Bank, this program helps participants attain financial autonomy through access to microcredit to support their business projects.

Encouraging community development

A leading player in Quebec and Canada since 1859, National Bank is committed to promoting the wellbeing of the communities it serves.

It succeeds in doing this through a well-defined donation and sponsorship program, the commitment of its employees and retirees who are volunteers in their communities, as well as successful fundraising efforts with our clients' participation.

In 2019, the Bank gave tens of millions of dollars back to the community, which included more than \$13 million in corporate donations.

Some of our donations

<p>> ARTS AND CULTURE</p> <p>Domaine Forget (Saint-Irénée, Quebec; 2019–2023)</p> <p>Participating in the growth of Domaine Forget and the development of its International Festival and International Music and Dance Academy.</p> <p>\$100,000</p>	<p>> EDUCATION</p> <p>McGill University (Montreal, Quebec; 2019–2028)</p> <p>Encouraging entrepreneurial growth by supporting the Dobson Cup activities.</p> <p>\$4,000,000</p>
<p>> COMMUNITY</p> <p>Fondation Pallia-Vie (Laurentians, Quebec; 2019–2023)</p> <p>Supporting the palliative care and assistance services offered by Pallia-Vie.</p> <p>\$150,000</p>	<p>> HEALTH</p> <p>Baycrest Foundation (Toronto, Ontario; 2019–2025)</p> <p>Promoting the creation of solutions for the wellbeing of the aging population via the Centre for Aging + Brain Health Innovation incubator, powered by Baycrest.</p> <p>\$1,000,000</p>

Employees, retirees and clients dedicated to their community

Thousands of National Bank employees and retirees are committed to creating a positive impact on the community. The Bank wants to support their efforts. In 2019, the Volunteer Program donated \$10 for each hour of volunteer work logged by employees, for a maximum of \$400 annually per employee. Each organization may receive up to four employee donations for a maximum of \$1,600.

When it comes to raising funds to support community activities or address urgent humanitarian needs, the Bank can always count on its branch network across Canada to rally for the cause. Again this year, our employees and clients have demonstrated their generosity on numerous occasions.

Some of our sponsorships

As the main Canadian financial institution associated with tennis, National Bank is renewing its commitment through several initiatives, specifically for the next generation of tennis players, while making it possible for the best players in the world to play on Canadian soil.

Our main initiatives:

- > The Rogers Cup presented in Montreal and Toronto by National Bank showcases the world's top players.
- > The Bank is also the official partner of Tennis New Brunswick and Tennis Prince Edward Island.
- > The National Bank International Junior Tennis Open in Repentigny encourages players aged 14 to 18 to play their first matches at an international tournament.
- > The National Bank Challenger events in Calgary, Drummondville, Granby, Saguenay and Winnipeg represent the first experience on the international circuit for many Canadian athletes, helping them earn points for their world ranking.
- > National Bank's Young Aces program is aimed at identifying exceptional talent in children across Canada.

A few examples of our community engagement

> United Way/Centraide campaign (Canada; 2019)

Total raised by National Bank employees and retirees, including a corporate donation, as part of this Canada-wide campaign, held annually since 1977.

\$3,400,000

> Canadian Red Cross (Canada; 2019)

Corporate donations, employee donations and fundraisers organized in National Bank branches to support the Canadian Red Cross's efforts in many communities.

\$50,000

> JDRF (Canada; 2019)

Since 2004, hundreds of National Bank employees across Canada have been participating in the Ride for Diabetes Research.

\$273,000

> The NB Grand Tour (Portneuf and Western Quebec, Quebec; 2019)

More than 300 riders, runners and volunteers from National Bank took part in the event held in the Portneuf and Western Quebec region. Since 2011, this challenge has been raising funds for youth organizations in the regions visited.

\$175,000

> The Princess Margaret Cancer Foundation (Toronto, Ontario; 2019)

A valiant cycling team from the Toronto area rode more than 220 km between Toronto and Niagara Falls to benefit cancer research.

\$24,000

> Crossroads for Women (Moncton, New Brunswick; 2019)

Employees in Atlantic Canada took part in National Bank's annual golf tournament to raise funds for a transition house that provides shelter to women living with violence.

\$14,500

Geographic breakdown of employees (as at October 31, 2019)

Province	Full-time	Part-time	Total
Alberta	305	21	326
British Columbia	277	29	306
Prince Edward Island	14	5	19
Manitoba	66	17	83
New Brunswick	188	81	269
Nova Scotia	33	—	33
Ontario	1,760	271	2,031
Quebec	13,477	2,612	16,089
Saskatchewan	44	5	49
Newfoundland and Labrador	—	—	—
Yukon, Northwest Territories and Nunavut	—	—	—
Total Canada	16,164	3,041	19,205
Outside Canada	6,273	9	6,282
Total	22,437	3,050	25,487

Income taxes and other taxes paid or payable in Canada (in thousands of dollars; as at October 31, 2019)

	Income taxes ¹	Capital taxes ¹	Other taxes ²
Federal	281,598	16,668	83,687
Provincial			
Alberta	3,704	—	1,862
British Columbia	4,350	—	3,016
Prince Edward Island	74	133	341
Manitoba	1,178	686	842
New Brunswick	1,299	2,388	4,152
Nova Scotia	482	—	516
Ontario	30,449	—	38,360
Quebec	120,969	4,711	314,435
Saskatchewan	589	1,710	519
Newfoundland and Labrador	7	—	283
Yukon, Northwest Territories and Nunavut	—	—	—
Total – Provincial	163,101	9,628	364,326
Total – Federal and Provincial	444,699	26,296	448,013

1 Income taxes and capital taxes: Estimated amounts.

2 Other taxes: Amount including employee benefits (employer's contribution including amounts paid to the Canada Pension Plan, Employment Insurance and provincial health insurance plans), business taxes, property taxes, sales taxes (including GST/HST and estimated provincial sales tax) and deposit insurance premiums.

**Our total
contribution:**

\$919 **MILLION**
PAID IN INCOME TAXES
AND OTHER TAXES

Debt financing made available to companies in Canada (in thousands of dollars)

In 2019, National Bank approved more than \$99 billion in debt financing to businesses across Canada.

	\$0 to \$24.9	\$25.0 to \$99.9	\$100.0 to \$249.9	\$250.0 to \$499.9	\$500.0 to \$999.9	\$1,000.0 to \$4,999.9	\$5,000.0 or more	Total
Alberta								
Total authorized (\$)	2,244.1	5,317.8	11,672.5	15,966.4	21,770.5	227,246.2	13,107,415.2	13,391,632.7
Number of clients	284	110	76	44	31	90	208	843
British Columbia								
Total authorized (\$)	1,241.9	3,666.7	4,209.4	8,709.8	34,935.3	203,158.1	3,963,333.7	4,219,254.9
Number of clients	179	75	32	25	51	80	99	541
Prince Edward Island								
Total authorized (\$)	435.5	b	c	d	e	f	g	435.5
Number of clients	60	b	c	d	e	f	g	60
Manitoba								
Total authorized (\$)	542.5	1,585.3	3,359.3	8,630.3	30,643.6	184,354.0	1,098,951.7	1,328,066.7
Number of clients	63	39	20	24	44	72	30	292
New Brunswick								
Total authorized (\$)	8,464.1	25,735.7	36,786.9	47,959.2	85,440.6	340,020.9	1,634,711.1	2,179,118.5
Number of clients	1,008	513	242	135	124	167	66	2,255
Nova Scotia								
Total authorized (\$)	168.0	b	c	d	e	f	g	168.0
Number of clients	21	b	c	d	e	f	g	21
Ontario								
Total authorized (\$)	25,338.0	46,287.6	69,293.7	114,686.3	230,951.2	1,379,270.9	24,270,878.9	26,136,706.6
Number of clients	3,184	970	460	321	330	579	496	6,340
Quebec								
Total authorized (\$)	309,044.7	679,546.9	918,062.8	1,340,311.0	2,229,204.5	9,446,076.9	36,560,952.5	51,483,199.3
Number of clients	41,005	14,074	6,009	3,764	3,171	4,422	1,248	73,693
Saskatchewan								
Total authorized (\$)	453.8	1,733.1	3,333.9	5,158.0	e	108,341.3	688,722.1	807,742.2
Number of clients	53	35	19	15	e	48	27	197
Newfoundland and Labrador								
Total authorized (\$)	a	b	c	d	—	f	g	0.0
Number of clients	a	b	c	d	—	f	g	0
Yukon, Northwest Territories and Nunavut								
Total authorized (\$)	a	—	—	d	—	—	g	0
Number of clients	a	—	—	d	—	—	g	0
Grand total								
Total authorized (\$)	347,932.6	763,873.1	1,046,718.5	1,541,421.0	2,632,945.7	11,888,468.3	81,324,965.2	99,546,324.4
Total clients	45,857	15,816	6,858	4,328	3,751	5,458	2,174	84,242

Note: To preserve client confidentiality, certain figures have been combined as follows:

a - The figures for Newfoundland and Labrador, Yukon, the Northwest Territories and Nunavut have been added to the figures for British Columbia and to that province's total.

b - The figures for Prince Edward Island, Nova Scotia and Newfoundland and Labrador have been added to the figures for New Brunswick and to that province's total.

c - The figures for Prince Edward Island, Nova Scotia and Newfoundland and Labrador have been added to the figures for New Brunswick and to that province's total.

d - The figures for Prince Edward Island, Nova Scotia, Newfoundland and Labrador, and Yukon, the Northwest Territories and Nunavut have been added to the figures for New Brunswick and to that province's total.

e - The figures for Prince Edward Island, Nova Scotia and Saskatchewan have been added to the figures for New Brunswick and to that province's total.

f - The figures for Prince Edward Island, Nova Scotia and Newfoundland and Labrador have been added to the figures for New Brunswick and to that province's total.

g - The figures for Prince Edward Island, Nova Scotia, Newfoundland and Labrador, and Yukon, the Northwest Territories and Nunavut have been added to the figures for New Brunswick and to that province's total.

The figures shown have been rounded to one decimal point.

Subsidiaries* of National Bank (as at October 31, 2019)

List of subsidiaries covered under the Public Accountability Statements Regulations and the Finance Entity Regulations.

National Bank Life Insurance Company

- National Bank Insurance Firm Inc.
- National Bank Planning and Benefits Inc.

National Bank Investments Inc.

National Bank Financial Inc.

- NBF Financial Services Inc.
- NBF Financial Services Ltd.

Natcan Trust Company

National Bank Trust Inc.

Branches** closed and opened (during the fiscal year ended October 31, 2019)

Branches closed

Alberta

10088 102 Avenue, Suite 903, Edmonton

British Columbia

75 Commercial Street, Nanaimo

Prince Edward Island

119 Queen Street, Charlottetown

New Brunswick

72 Prince William Street, Saint John

Ontario

295 Eglinton Avenue East, Mississauga

500 Highway 7 East, Richmond Hill

979 Alloy Drive, Thunder Bay

Quebec

906 boul. Albiny-Paquette, Mont-Laurier

57 rue Sainte-Cécile, Salaberry-de-Valleyfield

3535 autoroute Jean-Noël-Lavoie, Laval

845 route Marie-Victorin, Lévis

3501 rue Saint-Hubert, Montreal

1795 rue Fleury Est, Montreal

650 boul. du Fort-Saint-Louis, Boucherville

283 boul. La Salle, Baie-Comeau

921 rue De Puyjalon, Baie-Comeau

337 boul. La Salle, Baie-Comeau

160 rue Notre-Dame Nord, Sainte-Marie

801 Grande Allée Ouest, Quebec City

1366 rue Saint-Jacques, L'Ancienne-Lorette

1033 boul. Armand-Frappier, Sainte-Julie

41 rue Notre-Dame Ouest, Trois-Pistoles

3920 boul. des Forges, Trois-Rivières

Saskatchewan

1881 Scarth Street, Regina

Branches opened

Alberta

10088 102 Avenue, Suite 1701, Edmonton

New Brunswick

69 King Street, Saint John

551 King Street, Fredericton

Ontario

9130 Leslie Street, Richmond Hill

34 Cumberland Street North, Thunder Bay

1717 2nd Avenue East, Owen Sound

Quebec

600 boul. Laflèche, Baie-Comeau

600 boul. Laflèche, Baie-Comeau

425 route Chassé, Sainte-Marie

855 boul. René-Lévesque Ouest, Quebec City

1878 rue Notre-Dame, L'Ancienne-Lorette

143 boul. Armand-Frappier, Sainte-Julie

688 rue Jean-Rioux, Trois-Pistoles

400 boul. des Forges, Trois-Rivières

1104 rue Saint-Jovite, Mont-Tremblant

500 rue D'Avaugour, Boucherville

9596 rue Henri-Piché, Mirabel

Saskatchewan

2075 Prince Of Wales Drive, Regina

* The term subsidiary denotes an entity of the National Bank group.

** The term branch is used as defined in the Public Accountability Statements Regulations.

ABMs removed and added (during the fiscal year ended October 31, 2019)

ABMs removed

Quebec

2545 ruelle Saint-Jacques, Boisbriand
938 boul. de la Grande-Allée, Boisbriand
999 boul. de la Grande-Allée, Boisbriand
2100 boul. Robert-Bourassa, Montreal
57 rue Sainte-Cécile, Salaberry-de-Valleyfield
1033 boul. Armand-Frappier, Sainte-Julie
6700 ch. de la Côte-des-Neiges, Montreal
6700 ch. de la Côte-des-Neiges, Montreal
801 Grande Allée Ouest, Quebec City (2 ABMs)
1366 rue Saint-Jacques, L'Ancienne-Lorette (2 ABMs)
1033 boul. Armand-Frappier, Sainte-Julie (3 ABMs)
41 rue Notre-Dame Ouest, Trois-Pistoles
3920 boul. des Forges, Trois-Rivières (3 ABMs)
921 rue De Puyjalon, Baie-Comeau (2 ABMs)
160 rue Notre-Dame Nord, Sainte-Marie

New Brunswick

71 King Street, Saint John
71 King Street, Saint John

Ontario

115 First Street, Orangeville

ABMs added

Quebec

6700 ch. de la Côte-des-Neiges, Montreal
855 boul. René-Lévesque Ouest, Montreal (2 ABMs)
1878 rue Notre-Dame, L'Ancienne-Lorette (2 ABMs)
143 boul. Armand-Frappier, Sainte-Julie (3 ABMs)
688 rue Jean-Rioux, Trois-Pistoles
4000 boul. des Forges, Trois-Rivières (3 ABMs)
600 boul. Laflèche, Baie-Comeau (2 ABMs)
425 route Chassé, Sainte-Marie
425 route Chassé, Sainte-Marie
688 rue Jean-Rioux, Trois-Pistoles
9596 rue Henri-Piché, Mirabel (2 ABMs)
995 boul. de la Grande-Allée, Boisbriand

New Brunswick

71 King Street, Saint John

ABMs installed temporarily

Quebec

IGA Stadium – 855 rue Gary-Carter, Montreal (2 ABMs)	Rogers Cup Montreal	July 31 to August 13, 2019
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Ontario

Aviva Centre – York University, 1 Shoreham Drive, Toronto (3 ABMs)	Rogers Cup Toronto	July 31 to August 13, 2019
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ABMs removed temporarily

Quebec

560 rue Sacré-Cœur Ouest, Alma
214 boul. René-A.-Robert, Sainte-Thérèse
3501 rue Saint-Hubert, Montreal

Ontario

121 King Street West, Toronto

The Corporate Social Responsibility Statement, published by National Bank of Canada, aims to respond specifically to the requirements prescribed by the Public Accountability Statements Regulations adopted by the federal government (Bank Act). A more detailed report on National Bank's initiatives and commitment to sustainable development (ESG) will be produced. This document will be made public in the coming months and may be consulted on National Bank's website (nbc.ca).

The Corporate Social Responsibility Statement completes the Annual Report and the Management Proxy Circular. Unless otherwise indicated, the information presented refers to fiscal 2019 (November 1, 2018, to October 31, 2019) and is subsequent to the public accountability statement for fiscal 2018, published in March 2019.

The Corporate Social Responsibility Statement is prepared by a team reporting to the Vice-President – Communications and Corporate Social Responsibility with the contribution of dozens of experts, then reviewed and approved by members of management in the organization's many different sectors.

The full version of the document may be consulted on National Bank's website (nbc.ca/socialresponsibility). This statement is also available at any National Bank branch or by calling 514-394-5555 or 1-888-483-5628.

Aussi disponible en français.

Any comments may be submitted by email at pa@nbc.ca or on our social media platforms.

Social networks

The Bank's daily presence on social networking sites has meant increased opportunities for interaction with clients and interest groups alike.



nbc.ca/socialnetworks

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