NATIONAL BANK

PRESS RELEASE FOURTH QUARTER 2015

National Bank reports its results for the fourth quarter and year-end of 2015 and raises its quarterly dividend by 4% to 54 cents per share

The financial information reported herein is based on the unaudited interim condensed consolidated financial statements for the fourth quarter of fiscal 2015 and on the audited annual consolidated financial statements for the year ended October 31, 2015 and has been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). All amounts are presented in Canadian dollars.

MONTREAL, December 2, 2015 – For the fourth quarter of 2015, National Bank is reporting net income of $347 million, up 5% from $330 million in the same quarter of 2014. Diluted earnings per share stood at $0.95 in the fourth quarter of 2015, up 4% from $0.91 in the same quarter of 2014.

Excluding specified items, fourth-quarter net income totalled $417 million, up 2% from $407 million in the same quarter of 2014, and fourth-quarter diluted earnings per share stood at $1.16, a 2% increase from $1.14 in the same quarter of 2014. The specified items are described on page 2.

For fiscal 2015, the Bank's net income totalled $1,619 million, an increase of 5% from $1,538 million in fiscal 2014. The fiscal 2015 diluted earnings per share stood at $4.51 versus $4.32 in fiscal 2014. Excluding specified items, the 2015 net income was $1,682 million, up 6% from $1,593 million in 2014, and the 2015 diluted earnings per share stood at $4.70, up 5% from $4.48 in 2014.

"In 2015, National Bank achieved strong financial results in a context of a slowing Canadian economy," said Louis Vachon, President and Chief Executive Officer. "Faced with significant changes in the financial services industry, the Bank continues to proactively deploy many initiatives that will ensure its long-term success. We also plan on making continued investments to our technology platforms in order to deliver even better services to customers," added Mr. Vachon.

Highlights

(millions of Canadian dollars)	Quarter ended October 31			Year ended October 31		
	2015	2014	% Change	**2015**	2014	% Change
Net income	**347**	330	5	**1,619**	1,538	5
Diluted earnings per share *(dollars)*	**$ 0.95**	$ 0.91	4	**$ 4.51**	$ 4.32	4
Return on common shareholders' equity	**13.6 %**	14.3 %		**16.9 %**	17.9 %	
Dividend payout ratio	**45 %**	43 %		**45 %**	43 %	
Excluding specified items(1)						
Net income	**417**	407	2	**1,682**	1,593	6
Diluted earnings per share *(dollars)*	**$ 1.16**	$ 1.14	2	**$ 4.70**	$ 4.48	5
Return on common shareholders' equity	**16.6 %**	17.9 %		**17.6 %**	18.5 %	
Dividend payout ratio	**43 %**	42 %		**43 %**	42 %	

	As at October 31, 2015	As at October 31, 2014
CET1 capital ratio under Basel III	**9.9 %**	9.2 %
Leverage ratio under Basel III	**3.7 %**	n.a.

n.a. Not applicable
(1) See the Financial Reporting Method section on page 2.

FINANCIAL REPORTING METHOD

The Bank's unaudited interim condensed consolidated financial statements have been prepared in accordance with IFRS, as issued by the IASB and set out in the CPA Canada Handbook. The Bank also uses non-IFRS financial measures when assessing its results and measuring Bank-wide performance. Presenting such information 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 to not be reflective of ordinary operations. Securities regulators require companies to caution readers that net income and other measures adjusted using non-IFRS criteria are not standard under IFRS and cannot be easily compared with similar measures used by other companies.

Financial Information

(millions of Canadian dollars, except per share amounts)	Quarter ended October 31			Year ended October 31		
	2015	2014	% Change	**2015**	2014	% Change
Net income excluding specified items						
Personal and Commercial	**187**	174	7	**725**	683	6
Wealth Management	**76**	80	(5)	**327**	310	5
Financial Markets	**162**	151	7	**718**	611	18
Other	**(8)**	2		**(88)**	(11)	
Net income excluding specified items	**417**	407	2	**1,682**	1,593	6
Items related to holding restructured notes(1)	**(2)**	(3)		**50**	54	
Acquisition-related items(2)	**(6)**	(10)		**(27)**	(45)	
Restructuring charge(3)	**(62)**	–		**(62)**	–	
Gain on disposal of Fiera Capital shares(4)	**–**	–		**25**	–	
Share of current tax asset write-down of an associate(5)	**–**	–		**(16)**	–	
Impairment losses on intangible assets(6)	**–**	(45)		**(33)**	(45)	
Funding valuation adjustment(7)	**–**	(9)		**–**	(9)	
Litigation provisions(8)	**–**	(10)		**–**	(10)	
Net income	**347**	330	5	**1,619**	1,538	5
Diluted earnings per share excluding specified items	**$ 1.16**	$ 1.14	2	**$ 4.70**	$ 4.48	5
Items related to holding restructured notes(1)	**(0.01)**	(0.01)		**0.15**	0.16	
Acquisition-related items(2)	**(0.01)**	(0.03)		**(0.08)**	(0.13)	
Restructuring charge(3)	**(0.19)**	–		**(0.19)**	–	
Gain on disposal of Fiera Capital shares(4)	**–**	–		**0.08**	–	
Share of current tax asset write-down of an associate(5)	**–**	–		**(0.05)**	–	
Impairment losses on intangible assets(6)	**–**	(0.14)		**(0.10)**	(0.14)	
Funding valuation adjustment(7)	**–**	(0.02)		**–**	(0.02)	
Litigation provisions(8)	**–**	(0.03)		**–**	(0.03)	
Diluted earnings per share	**$ 0.95**	$ 0.91	4	**$ 4.51**	$ 4.32	4
Return on common shareholders' equity						
Including specified items	**13.6 %**	14.3 %		**16.9 %**	17.9 %	
Excluding specified items	**16.6 %**	17.9 %		**17.6 %**	18.5 %	

(1) During the quarter ended October 31, 2015, the Bank recorded $6 million in financing costs ($5 million net of income taxes) related to holding restructured notes (2014: $4 million, $3 million net of income taxes). In addition, the Bank recorded $4 million in revenues ($3 million net of income taxes) primarily to reflect a rise in the fair value of those notes (2014: nil). During the year ended October 31, 2015, the Bank recorded $20 million in financing costs ($16 million net of incomes taxes) related to holding restructured notes (2014: $18 million, $13 million net of income taxes), $53 million in revenues ($39 million net of income taxes) to reflect capital repayments and a rise in the fair value of these notes (2014: $92 million, $67 million net of income taxes) and a gain of $37 million ($27 million net of income taxes) upon the disposal of the restructured notes of the MAV III conduits (2014: nil).

(2) During the quarter ended October 31, 2015, the Bank recorded $7 million in charges ($6 million net of income taxes) related to the Wealth Management acquisitions (2014: $14 million, $10 million net of income taxes). These charges consisted mostly of retention bonuses and also included the Bank's share in the integration costs incurred by Fiera Capital Corporation (Fiera Capital) as well as the Bank's share in the charges related to its interest in TMX. For the year ended October 31, 2015, these charges amounted to $34 million ($27 million net of income taxes) compared to $60 million ($45 million net of income taxes) for fiscal 2014.

(3) During the quarter ended October 31, 2015, the Bank recorded an $86 million restructuring charge ($62 million, net of income taxes). This consisted of severance pay charges, professional fees, onerous contracts, and write-offs of premises and equipment (2014: nil).

(4) During the year ended October 31, 2015, a gain, net of underwriting fees, of $29 million ($25 million net of income taxes) was recorded upon a disposal of shares held in Fiera Capital through one of the Bank's subsidiaries. On the transaction date, the Bank's ownership percentage in Fiera Capital was reduced to 22%.

(5) During the year ended October 31, 2015, a loss of $18 million ($16 million net of income taxes) was recorded following a write-down of an associate's current tax asset.

(6) During the year ended October 31, 2015, intangible asset impairment losses on internal technology developments of $46 million ($33 million net of income taxes) were recorded (2014: $62 million, $45 million net of income taxes).

(7) During the quarter ended October 31, 2014, the Bank had recorded $13 million in charges ($9 million net of income taxes) to reflect the funding valuation adjustment (FVA).

(8) During the quarter ended October 31, 2014, $14 million ($10 million net of income taxes) in litigation provisions had been recorded.

HIGHLIGHTS

(millions of Canadian dollars, except per share amounts)	Quarter ended October 31			Year ended October 31		
	2015	2014	% Change	2015	2014	% Change
Operating results						
Total revenues	1,405	1,364	3	5,746	5,464	5
Net income	347	330	5	1,619	1,538	5
Net income attributable to the Bank's shareholders	328	312	5	1,549	1,469	5
Return on common shareholders' equity	13.6 %	14.3 %		16.9 %	17.9 %	
Earnings per share						
Basic	$ 0.96	$ 0.92	4	$ 4.56	$ 4.36	5
Diluted	0.95	0.91	4	4.51	4.32	4
Excluding specified items[1]						
Operating results						
(taxable equivalent basis)[2]						
Total revenues	1,473	1,440	2	5,982	5,638	6
Net income	417	407	2	1,682	1,593	6
Net income attributable to the Bank's shareholders	398	389	2	1,612	1,524	6
Return on common shareholders' equity	16.6 %	17.9 %		17.6 %	18.5 %	
Efficiency ratio	59.0 %	58.4 %		58.6 %	58.6 %	
Earnings per share						
Basic	$ 1.17	$ 1.15	2	$ 4.75	$ 4.53	5
Diluted	1.16	1.14	2	4.70	4.48	5
Common share information						
Dividends declared	$ 0.52	$ 0.48		$ 2.04	$ 1.88	
Book value				28.26	25.76	
Share price						
High	46.33	53.88		55.06	53.88	
Low	40.75	48.16		40.75	41.60	
Close	43.31	52.68		43.31	52.68	
Number of common shares *(thousands)*	337,236	329,297		337,236	329,297	
Market capitalization	14,606	17,347		14,606	17,347	

(millions of Canadian dollars)	As at October 31, 2015	As at October 31, 2014	% Change
Balance sheet and off-balance-sheet			
Total assets	216,090	205,429	5
Loans and acceptances	115,238	106,169	9
Impaired loans, net of total allowances	(112)	(118)	
As a % of average loans and acceptances	(0.1) %	(0.1) %	
Deposits	128,830	119,883	7
Equity attributable to common shareholders	9,531	8,484	12
Assets under administration and under management	358,139	345,332	4
Earnings coverage	10.49	8.98	
Asset coverage	6.78	5.24	
Regulatory ratios under Basel III			
Capital ratios[3]			
Common Equity Tier 1 (CET1)	9.9 %	9.2 %	
Tier 1[4]	12.5 %	12.3 %	
Total[4][5]	14.0 %	15.1 %	
Leverage ratio[3]	3.7 %	n.a.	
Liquidity coverage ratio (LCR)	131 %	n.a.	
Other information			
Number of employees	19,764	19,955	(1)
Number of branches in Canada	452	452	–
Number of banking machines	930	935	(1)

n.a. Not applicable
(1) See the Financial Reporting Method section on page 2.
(2) For additional information, see the Segment Disclosures section on page 15.
(3) The ratios are calculated using the "all-in" methodology.
(4) The ratios as at October 31, 2015 include the redemption of the Series 20 preferred shares on November 15, 2015, and the ratios as at October 31, 2014 include the redemption of the Series 16 preferred shares on November 15, 2014.
(5) The ratio as at October 31, 2015 includes the November 2, 2015 redemption of $500 million in notes.

FINANCIAL ANALYSIS

This press release should be read in conjunction with the 2015 Annual Report (which includes the audited annual consolidated financial statements and MD&A) available on the Bank's website at nbc.ca. Additional information about the Bank, including the *Annual Information Form*, can be obtained from the Bank's website at nbc.ca and SEDAR's website at sedar.com.

Consolidated Results

Total Revenues

For the fourth quarter of 2015, the Bank's total revenues amounted to $1,405 million, up $41 million from the same quarter in 2014. Excluding the specified items related to holding restructured notes, the Wealth Management acquisition-related items, and the charges recorded in the fourth quarter of 2014 to reflect the funding valuation adjustment (FVA), total revenues on a taxable equivalent basis amounted to $1,473 million, up 2% from $1,440 million in the fourth quarter of 2014. Growth in net interest income came mainly from higher personal and commercial loan and deposit volumes, tempered by lower deposit margins, as well as from an increase in the net interest income of the Financial Markets segment. Fourth-quarter non-interest income was down $21 million, particularly due to lower underwriting and advisory fees and securities brokerage commissions as business migrated towards fee-based services, to weakness in the stock markets, and to losses on available-for-sale securities recorded during the fourth quarter of 2015. As for fourth-quarter mutual fund revenues, trust service revenues, credit fees, trading revenues and other revenues, they all posted year-over-year increases.

For fiscal 2015, total revenues amounted to $5,746 million, up 5% from $5,464 million in fiscal 2014. Excluding the specified items related to holding restructured notes, to the gain on the disposal of Fiera Capital shares, to the Wealth Management acquisitions, to the share of a current tax asset write-down of an associate in the Financial Markets segment, and to the charges recorded during the fourth quarter of 2014 to reflect the FVA, total revenues on a taxable equivalent basis amounted to $5,982 million for fiscal 2015, up 6% from $5,638 million in 2014. The increase came mainly from 7% growth in net interest income, driven by the same factors mentioned above for the quarter, and from higher trading activity revenues in the Financial Markets segment. Fiscal 2015 non-interest income rose by $151 million, mainly due to year-over-year increases in mutual fund revenues, trust service revenues, credit fees and trading revenues, partly offset by year-over-year decreases in brokerage commission revenues, card revenues and gains on available-for-sale securities.

Provisions for Credit Losses

For the fourth quarter of 2015, the Bank recorded $61 million in provisions for credit losses, $4 million more than in the same quarter of 2014 as higher provisions for credit card losses were recorded. For fiscal 2015, the Bank recorded $228 million in provisions for credit losses, $20 million more than in fiscal 2014, as there were higher provisions for credit losses on commercial loans and consumer loans.

As at October 31, 2015, gross impaired loans totalled $457 million, a $29 million decrease since October 31, 2014 that came from the commercial loan portfolio following several write-offs at the beginning of the fiscal year. This decrease was partly offset by a greater number of impaired loans in both the personal loans portfolio and in the Wealth Management loans portfolio. Impaired loans represented 5.9% of the tangible capital adjusted for allowances as at October 31, 2015, down 1.2 percentage points from 7.1% as at October 31, 2014. As at October 31, 2015, allowances for credit losses exceeded gross impaired loans by $112 million compared to $118 million as at October 31, 2014.

Non-Interest Expenses

For the fourth quarter of 2015, non-interest expenses stood at $960 million, up $31 million or 3% from the same quarter of 2014. This increase was partly due to a fiscal 2015 restructuring charge of $86 million consisting of severance pay charges, professional fees, onerous contracts, and write-offs of premises and equipment, whereas in the fourth quarter of 2014, an intangible asset impairment loss of $62 million and litigation provisions of $14 million had been recognized. Excluding the specified items, fourth-quarter non-interest expenses stood at $869 million, a $28 million increase that was mainly attributable to increases in compensation and employee benefit expenses, professional fees, and the compensatory tax on salaries, partly offset by lower business development expenses.

For the year ended October 31, 2015, non-interest expenses stood at $3,665 million, a $242 million year-over-year increase that was partly due to the fiscal 2015 restructuring charge of $86 million. Excluding the specified items for 2015 and 2014, non-interest expenses increased by $202 million or 6% year over year given higher expenses for compensation and employee benefits, the compensatory tax on salaries, and technology investment.

Income Taxes

For the fourth quarter of 2015, income taxes stood at $37 million compared to $48 million in the same quarter of 2014. The fourth-quarter effective income tax rate was 10% versus 13% in the same quarter of 2014.

For fiscal 2015, the effective tax rate was 13% versus 16% in fiscal 2014. The decrease came from higher tax-exempt dividend income and from a gain on the disposal of Fiera Capital shares recorded in 2015.

Results by Segment

The Bank carries out its activities in three business segments. For presentation purposes, other operating activities as well as Corporate Treasury activities are grouped in the *Other* heading. Each reportable segment is distinguished by services offered, type of clientele and marketing strategy.

Personal and Commercial

(millions of Canadian dollars)	Quarter ended October 31			Year ended October 31		
	2015	2014	% Change	**2015**	2014	% Change
Operating results excluding specified items(1)						
Net interest income	**464**	436	6	**1,786**	1,699	5
Non-interest income	**253**	254	–	**1,030**	990	4
Total revenues	**717**	690	4	**2,816**	2,689	5
Non-interest expenses	**402**	395	2	**1,599**	1,548	3
Contribution	**315**	295	7	**1,217**	1,141	7
Provisions for credit losses	**60**	56	7	**225**	205	10
Income before income taxes	**255**	239	7	**992**	936	6
Income taxes	**68**	65	5	**267**	253	6
Net income excluding specified items	**187**	174	7	**725**	683	6
Specified items after income taxes(1)	**(35)**	–		**(35)**	–	
Net income	**152**	174	(13)	**690**	683	1
Net interest margin(2)	**2.20 %**	2.21 %		**2.19 %**	2.24 %	
Average interest-bearing assets	**83,487**	78,227	7	**81,399**	75,963	7
Average assets	**89,056**	83,658	6	**86,945**	81,516	7
Average loans and acceptances	**88,644**	83,248	6	**86,552**	81,129	7
Net impaired loans	**249**	246	1	**249**	246	1
Net impaired loans as a % of average loans and acceptances	**0.3 %**	0.3 %		**0.3 %**	0.3 %	
Average deposits	**45,730**	43,995	4	**44,597**	43,022	4
Efficiency ratio excluding specified items(1)	**56.1 %**	57.2 %		**56.8 %**	57.6 %	

(1) See the Financial Reporting Method section on page 2.
(2) Net interest margin is calculated by dividing net interest income by average interest-bearing assets.

In the Personal and Commercial segment, net income totalled $152 million for the quarter ended October 31, 2015, down 13% from $174 million in the fourth quarter of 2014. Excluding the restructuring charge recorded in the fourth quarter of 2015, net income totalled $187 million, up 7% year over year. The segment's total revenues increased by $27 million, mainly because of growth in net interest income, which rose $28 million in the fourth quarter of 2015. The higher net interest income came mainly from growth in personal and commercial loan and deposit volumes, tempered by a narrowing of the net interest margin, which was 2.20% in the fourth quarter of 2015 versus 2.21% in the same quarter of 2014, a decrease resulting mainly from deposit margins.

Personal Banking's total revenues increased by $20 million, mainly due to higher loan volume, particularly mortgage loans and home equity lines of credit. Growth in non-interest income came essentially from higher bank fees and internal commission revenues generated by the distribution of Wealth Management products. Commercial Banking's total revenues increased by $7 million, mainly due to growth in loan and deposit volumes and credit fees related to bankers' acceptances. The increase was partly offset by smaller deposit margins.

Fourth-quarter non-interest expenses in the Personal and Commercial segment were up $55 million or 14% from the fourth quarter of 2014, mainly because of a $48 million restructuring charge as well as compensation and operations support charges. Excluding the restructuring charge, which consisted of severance pay and professional fees, the 2015 non-interest expenses stood at $402 million, up 2% from the same quarter of 2014. At 56.1%, the efficiency ratio for the fourth quarter of 2015 improved by 1.1 percentage points when compared to the same quarter last year. The segment's fourth-quarter provisions for credit losses stood at $60 million, $4 million more than in the same quarter of 2014, as there were higher provisions for credit losses in Personal Banking.

For fiscal 2015, the Personal and Commercial segment recorded net income of $690 million, up $7 million or 1% from $683 million in fiscal 2014. Excluding the specified item related to the restructuring charge, the segment's net income totalled $725 million, up 6% year over year. The segment's total revenues posted 5% growth, with Personal Banking's total revenues rising $84 million, mainly due to higher volumes of mortgage loans and home equity lines of credit, and Commercial Banking's total revenues rising 4%, partly due to growth in loan and deposit volumes and increases in loan transaction revenues, revenues from acceptances, and revenues from foreign exchange transactions. In 2015, the segment's non-interest expenses stood at $1,647 million, a 6% year-over-year increase that was mainly due to the 2015 restructuring charge in addition to employee compensation, and operations support charges. Excluding the restructuring charge, the 2015 non-interest expenses stood at $1,599 million, up 3% year over year. The segment's contribution increased 7% year over year. In addition, at 56.8%, the 2015 efficiency ratio improved from 57.6% in 2014. The segment's 2015 provisions for credit losses were $20 million higher than in 2014. This change came from higher provisions for credit losses on commercial loans.

Wealth Management

(millions of Canadian dollars)	Quarter ended October 31			Year ended October 31		
	2015	2014	% Change	**2015**	2014	% Change
Operating results excluding specified items[1]						
Net interest income	**81**	79	3	**323**	312	4
Fee-based revenues	**195**	178	10	**760**	664	14
Transaction-based and other revenues	**64**	82	(22)	**308**	354	(13)
Total revenues	**340**	339	–	**1,391**	1,330	5
Non-interest expenses	**237**	230	3	**947**	909	4
Contribution	**103**	109	(6)	**444**	421	5
Provisions for credit losses	**1**	1	–	**3**	3	–
Income before income taxes	**102**	108	(6)	**441**	418	6
Income taxes	**26**	28	(7)	**114**	108	6
Net income excluding specified items	**76**	80	(5)	**327**	310	5
Specified items after income taxes[1]	**(7)**	(10)		**(1)**	(38)	
Net income	**69**	70	(1)	**326**	272	20
Average assets	**10,623**	10,146	5	**10,329**	10,400	(1)
Average loans and acceptances	**9,026**	8,448	7	**8,717**	8,287	5
Net impaired loans	**5**	2		**5**	2	
Average deposits	**24,901**	24,153	3	**24,490**	24,250	1
Efficiency ratio excluding specified items[1]	**69.7 %**	67.8 %		**68.1 %**	68.3 %	

(1) See the Financial Reporting Method section on page 2.

In the Wealth Management segment, the 2015 fourth-quarter net income totalled $69 million, essentially unchanged from the same quarter of 2014. Excluding specified items, which include acquisition-related items and the restructuring charge, the segment's net income totalled $76 million in the fourth quarter of 2015, down 5% from $80 million in the same quarter of 2014. At $340 million, the segment's fourth-quarter total revenues, excluding specified items, remained essentially unchanged from the same quarter of 2014. Fee-based revenues were up $17 million year over year due to growth in assets under administration and assets under management, whereas brokerage commission revenues on share and bond transactions as well as revenues from new issuances decreased by $18 million.

Excluding the specified items related to the acquisitions in recent years and the restructuring charge, non-interest expenses stood at $237 million in the fourth quarter of 2015, a 3% year-over-year increase that came mainly from higher operations support charges. The efficiency ratio stood at 69.7% for the fourth quarter of 2015 versus 67.8% in the same quarter of 2014.

For fiscal 2015, the Wealth Management segment's net income totalled $326 million, up 20% from $272 million in fiscal 2014. This growth came essentially from an increase in total revenues driven by higher fee-based revenues and by a $25 million gain, net of income taxes, realized in 2015 following a disposal of shares of Fiera Capital Corporation (Fiera Capital). Excluding specified items, which include—all net of income taxes—a $25 million gain on the disposal of Fiera Capital shares, a $2 million restructuring charge, and $24 million in charges related to the acquisitions of recent years (2014: $38 million), Wealth Management's fiscal 2015 net income totalled $327 million, up $17 million or 5% from $310 million in fiscal 2014. Excluding the gain on the disposal of Fiera Capital shares realized in 2015, the segment's 2015 total revenues amounted to $1,391 million, up 5% from $1,330 million in 2014. These revenue changes were driven by the same factors provided for the quarter. In addition, there was an increase in net interest income that was partly due to higher volumes and improved margins in banking activity among high-net-worth individuals. Excluding specified items, non-interest expenses stood at $947 million in 2015, up 4% from $909 million in 2014. This increase came mainly from the higher variable compensation and external management fees resulting from growth in the segment's business volume as well as from higher salaries, employee benefits and operations support charges. At 68.1%, the segment's 2015 efficiency ratio improved from 68.3% in 2014.

Financial Markets

(taxable equivalent basis)(1)
(millions of Canadian dollars)

	Quarter ended October 31			Year ended October 31		
	2015	2014	% Change	**2015**	2014	% Change
Operating results excluding specified items(2)						
Trading activity revenues						
Equities	**97**	77	26	**450**	333	35
Fixed-income	**63**	34	85	**237**	218	9
Commodities and foreign exchange	**35**	27	30	**147**	83	77
	195	138	41	**834**	634	32
Financial market fees	**57**	80	(29)	**286**	301	(5)
Gains (losses) on available-for-sale securities, net	**(10)**	15		**1**	27	
Banking services	**79**	67	18	**286**	250	14
Other	**83**	80	4	**313**	315	(1)
Total revenues	**404**	380	6	**1,720**	1,527	13
Non-interest expenses	**184**	173	6	**739**	690	7
Contribution	**220**	207	6	**981**	837	17
Provisions for credit losses	**–**	–		**–**	–	
Income before income taxes	**220**	207	6	**981**	837	17
Income taxes	**58**	56	4	**263**	226	16
Net income excluding specified items	**162**	151	7	**718**	611	18
Specified items after income taxes(2)	**(5)**	(9)		**(21)**	(9)	
Net income	**157**	142	11	**697**	602	16
Non-controlling interests	**5**	4		**13**	14	
Net income attributable to the Bank's shareholders	**152**	138	10	**684**	588	16
Average assets	**88,447**	89,366	(1)	**88,616**	86,198	3
Average loans and acceptances (Corporate Banking only)	**10,985**	8,481	30	**10,057**	8,070	25
Average deposits	**12,562**	12,713	(1)	**12,494**	11,109	12
Efficiency ratio excluding specified items(2)	**45.5 %**	45.5 %		**43.0 %**	45.2 %	

(1) For additional information, see the Segment Disclosures section on page 15.
(2) See the Financial Reporting Method section on page 2.

In the Financial Markets segment, net income totalled $157 million in the fourth quarter of 2015, up $15 million from $142 million in the same quarter of 2014. On a taxable equivalent basis, the segment's fourth-quarter total revenues amounted to $404 million versus $367 million in the same quarter last year, a 10% year-over-year increase that was mainly due to higher trading activity revenues. Excluding the specified item recorded during the fourth quarter of 2014 to reflect the FVA, the segment's total revenues on a taxable equivalent basis were $404 million compared to $380 million in the same quarter of 2014. The growth in trading activity revenues was driven by all revenue categories. In addition, banking service revenues grew by 18%, particularly due to more robust credit activity. Financial market fees were down 29% from the fourth quarter of 2014, when the segment had experienced greater market activity for new equity issuances. In addition, losses on available-for-sale securities were recorded in the fourth quarter of 2015, whereas gains had been recorded in the same quarter of 2014. The segment's other revenues grew 4% year over year, mainly due to an increase in the revenues from the Credigy Ltd. subsidiary.

At $191 million, non-interest expenses in the fourth quarter of 2015 were up $18 million year over year, particularly due to the 2015 restructuring charge of $7 million. Excluding that charge, non-interest expenses in the fourth quarter of 2015 stood at $184 million, a 6% year-over-year increase from $173 million, primarily resulting from charges related to the Credigy Ltd. subsidiary. At 45.5%, the efficiency ratio was unchanged from the same quarter of 2014. The segment's provisions for credit losses were nil in both the fourth quarters of 2015 and 2014.

For fiscal 2015, the segment's net income totalled $697 million, up $95 million or 16% from fiscal 2014. Excluding specified items, including a share of an associate's current tax asset write-down and the restructuring charge recognized in fiscal 2015, as well as a charge recorded in 2014 to reflect the FVA, the segment's net income totalled $718 million for fiscal 2015, up 18% from fiscal 2014. On a taxable equivalent basis, the fiscal 2015 total revenues amounted to $1,720 million versus $1,527 million last year, a $193 million year-over-year increase that came mainly from higher trading activity revenues, which were driven primarily by equity securities and commodities and foreign exchange contracts, as well as from higher banking service revenues. Furthermore, financial market fees decreased 5% from fiscal 2014. Net gains on available-for-sale securities decreased year over year, as higher impairment losses were recorded in 2015. Lastly, the segment's other revenues remained relatively stable year over year. The gains on investments realized in fiscal 2015, which were higher than those of 2014, were partly offset by lower revenues from the Credigy Ltd. subsidiary. Despite sustained business growth at Credigy Ltd., its revenues were down as gains on a disposal of portfolios had been realized in fiscal 2014.

Excluding the restructuring charge recognized during fiscal 2015, non-interest expenses were up 7% from fiscal 2014, particularly due to higher variable compensation associated with revenue growth, and to higher expenses at the Credigy Ltd. subsidiary. Nevertheless, at 43.0%, the efficiency ratio improved from 45.2% in 2014. The segment did not record any provisions for credit losses for the years ended October 31, 2015 and 2014.

Other

(taxable equivalent basis)[1] (millions of Canadian dollars)	Quarter ended October 31		Year ended October 31	
	2015	2014	**2015**	2014
Operating results excluding specified items[2]				
Net interest income	**(28)**	(24)	**(131)**	(54)
Non-interest income	**40**	55	**186**	146
Total revenues	**12**	31	**55**	92
Non-interest expenses	**46**	43	**220**	156
Income before income taxes	**(34)**	(12)	**(165)**	(64)
Income taxes	**(26)**	(14)	**(77)**	(53)
Net income excluding specified items	**(8)**	2	**(88)**	(11)
Specified items after income taxes[2]	**(23)**	(58)	**(6)**	(8)
Net income	**(31)**	(56)	**(94)**	(19)
Non-controlling interests	**14**	14	**57**	55
Net income attributable to the Bank's shareholders	**(45)**	(70)	**(151)**	(74)
Average assets	**40,487**	29,102	**37,039**	28,566

(1) For additional information, see the Segment Disclosures section on page 15.
(2) See the Financial Reporting Method section on page 2.

For the *Other* heading of segment results, there was a net loss of $31 million in the fourth quarter of 2015 compared to a net loss of $56 million in the same quarter of 2014. This change was primarily due to the fact that a higher amount of specified items had been recorded in the fourth quarter of 2014 than in the same quarter of 2015. Moreover, the net contribution from treasury activities during the fourth quarter of 2014 was higher than in the same period of 2015. Excluding specified items, there was a net loss of $8 million this fourth quarter versus net income of $2 million in the fourth quarter of 2014. In addition to the above-mentioned item, this decrease came mainly from higher compensation and employee benefit expenses, from the compensatory tax on salaries, and from business development expenses.

For the year ended October 31, 2015, there was a net loss of $94 million versus a net loss of $19 million in fiscal 2014, owing to the same factors provided for the quarter. Excluding specified items, there was a net loss of $88 million for the year ended October 31, 2015 versus a net loss of $11 million for fiscal 2014. This loss came from compensation and employee benefits, the compensatory tax on salaries and business development expenses. The fiscal 2015 specified items, net of income taxes, consisted of revenues related to holding restructured notes, net of the financing cost related to holding these notes and including a $50 million gain on the disposal of the restructured notes of the MAV III conduits (2014: $54 million), $33 million in impairment losses on intangible assets (2014: $45 million), a $20 million restructuring charge (2014: nil) and $3 million in charges related to the Bank's interest in TMX Group Ltd. (2014: $7 million). In addition, in fiscal 2014, the specified items net of income taxes had included $10 million in litigation provisions.

Consolidated Balance Sheet

Assets

As at October 31, 2015, the Bank had total assets of $216.1 billion compared to $205.4 billion as at October 31, 2014, a $10.7 billion or 5% increase. Cash and deposits with financial institutions decreased by $0.5 billion due to a decrease in liquidities at the New York branch. Securities increased by $3.0 billion since October 31, 2014, essentially due to securities issued or guaranteed by Canada and the provinces, whereas securities purchased under reverse repurchase agreements and securities borrowed decreased by $6.8 billion since October 31, 2014.

As at October 31, 2015, loans and acceptances increased by $9.0 billion or 8% since October 31, 2014 owing to growth in mortgage lending (including home equity lines of credit) and in loans to businesses. The following table provides a breakdown of the main loan and acceptance portfolios.

(millions of Canadian dollars)	**As at October 31, 2015**	As at October 31, 2014
Loans and acceptances		
Consumer	**29,864**	28,007
Residential mortgage	**43,520**	39,300
Credit card receivable	**2,069**	1,989
Business and government	**40,354**	37,477
	115,807	106,773

Consumer loans increased by 7%, primarily due to home equity lines of credit and personal loans. Rising 11%, residential mortgages also grew since October 31, 2014. Loans and acceptances to businesses increased by $2.9 billion or 8% since October 31, 2014, mainly because of corporate financing.

As at October 31, 2015, derivative financial instruments totalled $10.8 billion, an increase of $3.7 billion since October 31, 2014. This increase should be examined along with the derivative financial instruments presented in liabilities, which, at $7.8 billion, were up $2.1 billion, resulting in a net increase of $1.6 billion since October 31, 2014. Premises and equipment increased by $1.4 billion since October 31, 2014, following the acquisition of assets leased under operating leases.

Liabilities

As at October 31, 2015, the Bank had total liabilities of $204.7 billion compared to $194.9 billion as at October 31, 2014.

As at October 31, 2015, the Bank's total deposit liability was $128.8 billion versus $119.9 billion as at October 31, 2014, an increase of $8.9 billion or 7%. The following table provides a breakdown of total personal savings.

(millions of Canadian dollars)	As at October 31, 2015	As at October 31, 2014
Balance sheet		
Deposits	**45,981**	44,963
Off-balance-sheet		
Full-service brokerage	**105,395**	104,525
Mutual funds	**25,783**	18,938
Other	**636**	3,988
	131,814	127,451
Total personal savings	**177,795**	172,414

At $46.0 billion as at October 31, 2015, personal deposits increased by $1.0 billion or 2% since October 31, 2014. Personal savings included in assets under administration and under management also increased, rising $4.3 billion or 3% due to excellent net inflows in the various distribution networks.

At $74.4 billion, business and government deposits rose $7.0 billion since October 31, 2014. This increase was partly due to covered bond issuances of US$750 million and of 1.0 billion euros during the year ended October 31, 2015. At $8.4 billion, deposits from deposit-taking institutions increased $0.8 billion since October 31, 2014, mainly due to deposits from other Canadian financial institutions. Other funding activities have also increased since October 31, 2014, essentially due to liabilities related to transferred receivables.

Equity

As at October 31, 2015, the Bank's equity amounted to $11.4 billion, up $0.9 billion since October 31, 2014. This increase was due to higher retained earnings and a $300 million common share issuance, partly offset by a $200 million redemption of preferred shares.

As at November 27, 2015, there were 336,895,011 common shares and 16,577,737 stock options outstanding. For additional information on share capital, see Note 18 to the audited annual consolidated financial statements for the year ended October 31, 2015.

Maple Financial Group Inc.

The Bank holds a 24.9% equity interest in Maple Financial Group Inc., a privately owned Canadian company that operates in Canada, Germany, the United Kingdom and the United States. The company is active in equity, fixed income and associated derivative financial instrument markets in these locations to provide structured financial solutions for the needs of its customers and market-neutral trading for its own account.

Maple Bank GmbH, an indirectly wholly owned subsidiary of the company, is subject to an investigation by German prosecutors regarding alleged tax irregularities for taxation years 2006 to 2010. Given the seriousness of the reported allegations and the actions that may be taken by German regulatory authorities, the Bank recognizes that there is uncertainty as to the valuation of its investment.

At this time, the Bank does not have sufficient information to be used in valuing its investment. As at October 31, 2015, the carrying value of the investment was $160 million ($138 million net of income taxes). Should this investment be fully written off, diluted earnings per share would be reduced by $0.41 and Common Equity Tier 1 regulatory capital under Basel III would be reduced by 13 basis points.

Events After the Consolidated Balance Sheet Date

Redemption of Subordinated Debt

On November 2, 2015, the Bank redeemed $500 million in notes maturing in November 2020 at a price equal to their nominal value plus accrued interest.

Redemption of Preferred Shares

On November 16, 2015, which was the first business day after the November 15, 2015 redemption date, the Bank completed the redemption of all the issued and outstanding Non-Cumulative Fixed-Rate Series 20 First Preferred Shares. Pursuant to the share conditions, the redemption price was $25.50 per share plus the periodic dividend declared and unpaid. The Bank redeemed 6,900,000 Series 20 preferred shares for a total amount of $176 million, which reduced *Preferred share capital* by $173 million and *Retained earnings* by $3 million.

Capital Management

Regulatory Ratios

As at October 31, 2015, the Bank's CET1, Tier 1 and Total capital ratios were, respectively, 9.9%, 12.5% and 14.0%, i.e., above the regulatory requirements, compared to ratios of, respectively, 9.2%, 12.3% and 15.1% a year earlier. The increase in the CET1 capital ratio stems essentially from net income, net of dividends, and from a common share issuance for gross proceeds of $300 million, partly offset by an increase in risk-weighted assets. The increase in the Tier 1 capital ratio stems essentially from the above-mentioned factors and from the redemption of the Series 20 preferred shares on November 15, 2015. In addition, the decrease in the Total capital ratio stems mainly from the redemptions of medium-term notes for a total amount of $850 million. Lastly, as at October 31, 2015, the leverage ratio stood at 3.7%. This ratio was not in effect as at October 31, 2014.

Regulatory Capital and Ratios Under Basel III(1)

As at October 31	2015	2014
Capital		
CET1	6,801	5,985
Tier 1(2)	8,626	7,983
Total(2)(3)	9,678	9,868
Risk-weighted assets		
CET1 capital	68,835	64,818
Tier 1 capital	69,094	65,074
Total capital	69,316	65,459
Total exposure	234,957	n.a.
Capital ratios		
CET1	9.9 %	9.2 %
Tier 1(2)	12.5 %	12.3 %
Total(2)(3)	14.0 %	15.1 %
Leverage ratio	3.7 %	n.a.

n.a. Not applicable
(1) Figures are presented on an "all-in" basis.
(2) Figures as at October 31, 2015 include the redemption of the Series 20 preferred shares on November 15, 2015, and the figures as at October 31, 2014 include the redemption of the Series 16 preferred shares on November 15, 2014.
(3) Figures as at October 31, 2015 include the November 2, 2015 redemption of $500 million in notes.

Dividends

On December 1, 2015, the Board of Directors declared regular dividends on the various series of first preferred shares and a dividend of 54 cents per common share, up 2 cents or 4%, payable on February 1, 2016 to shareholders of record on December 21, 2015.

CONSOLIDATED BALANCE SHEETS

(unaudited) (millions of Canadian dollars)

	As at October 31, 2015	As at October 31, 2014
Assets		
Cash and deposits with financial institutions	7,567	8,086
Securities		
At fair value through profit or loss	41,997	43,200
Available-for-sale	14,043	9,753
	56,040	52,953
Securities purchased under reverse repurchase agreements and securities borrowed	17,702	24,525
Loans		
Residential mortgage	43,520	39,300
Personal and credit card	31,933	29,996
Business and government	30,954	28,551
	106,407	97,847
Customers' liability under acceptances	9,400	8,926
Allowances for credit losses	(569)	(604)
	115,238	106,169
Other		
Derivative financial instruments	10,842	7,092
Due from clients, dealers and brokers	415	861
Purchased receivables	1,438	790
Investments in associates and joint ventures	831	697
Premises and equipment	1,817	380
Goodwill	1,277	1,272
Intangible assets	1,059	998
Other assets	1,864	1,606
	19,543	13,696
	216,090	205,429
Liabilities and equity		
Deposits		
Personal	45,981	44,963
Business and government	74,441	67,364
Deposit-taking institutions	8,408	7,556
	128,830	119,883
Other		
Acceptances	9,400	8,926
Obligations related to securities sold short	17,333	18,167
Obligations related to securities sold under repurchase agreements and securities loaned	13,779	16,780
Derivative financial instruments	7,756	5,721
Due to clients, dealers and brokers	1,871	1,996
Liabilities related to transferred receivables	19,770	17,079
Other liabilities	4,474	4,494
	74,383	73,163
Subordinated debt	1,522	1,881
Equity		
Equity attributable to the Bank's shareholders		
Preferred shares	1,023	1,223
Common shares	2,614	2,293
Contributed surplus	67	52
Retained earnings	6,705	5,850
Accumulated other comprehensive income	145	289
	10,554	9,707
Non-controlling interests	801	795
	11,355	10,502
	216,090	205,429

CONSOLIDATED STATEMENTS OF INCOME

(unaudited) (millions of Canadian dollars)

	Quarter ended October 31		Year ended October 31	
	2015	2014	**2015**	2014
Interest income				
Loans	**877**	870	**3,531**	3,393
Securities at fair value through profit or loss	**174**	198	**695**	970
Available-for-sale securities	**77**	65	**286**	204
Deposits with financial institutions	**10**	9	**30**	29
	1,138	1,142	**4,542**	4,596
Interest expense				
Deposits	**324**	335	**1,329**	1,231
Liabilities related to transferred receivables	**107**	103	**420**	398
Subordinated debt	**14**	19	**59**	76
Other	**7**	44	**91**	347
	452	501	**1,899**	2,052
Net interest income	**686**	641	**2,643**	2,544
Non-interest income				
Underwriting and advisory fees	**83**	104	**387**	388
Securities brokerage commissions	**59**	78	**273**	333
Mutual fund revenues	**82**	67	**320**	251
Trust service revenues	**115**	106	**446**	388
Credit fees	**104**	97	**409**	386
Card revenues	**28**	35	**128**	134
Deposit and payment service charges	**63**	59	**238**	234
Trading revenues (losses)	**30**	(20)	**209**	106
Gains (losses) on available-for-sale securities, net	**(10)**	43	**82**	103
Insurance revenues, net	**26**	26	**107**	108
Foreign exchange revenues, other than trading	**21**	23	**88**	89
Share in the net income of associates and joint ventures	**9**	10	**26**	44
Other	**109**	95	**390**	356
	719	723	**3,103**	2,920
Total revenues	**1,405**	1,364	**5,746**	5,464
Provisions for credit losses	**61**	57	**228**	208
	1,344	1,307	**5,518**	5,256
Non-interest expenses				
Compensation and employee benefits	**517**	511	**2,160**	2,049
Occupancy	**52**	54	**223**	222
Technology	**125**	187	**534**	513
Communications	**16**	17	**69**	68
Professional fees	**65**	61	**233**	227
Restructuring charge	**86**	–	**86**	–
Other	**99**	99	**360**	344
	960	929	**3,665**	3,423
Income before income taxes	**384**	378	**1,853**	1,833
Income taxes	**37**	48	**234**	295
Net income	**347**	330	**1,619**	1,538
Net income attributable to				
Preferred shareholders	**11**	10	**45**	40
Common shareholders	**317**	302	**1,504**	1,429
Bank shareholders	**328**	312	**1,549**	1,469
Non-controlling interests	**19**	18	**70**	69
	347	330	**1,619**	1,538
Earnings per share *(dollars)*				
Basic	**0.96**	0.92	**4.56**	4.36
Diluted	**0.95**	0.91	**4.51**	4.32
Dividends per common share *(dollars)*	**0.52**	0.48	**2.04**	1.88

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited) (millions of Canadian dollars)

	Quarter ended October 31		Year ended October 31	
	2015	2014	**2015**	2014
Net income	**347**	330	**1,619**	1,538
Other comprehensive income, net of income taxes				
Items that may be subsequently reclassified to net income				
Net foreign currency translation adjustments				
Net unrealized foreign currency translation gains (losses) on investments in foreign operations	**(10)**	1	**114**	47
Impact of hedging net foreign currency translation gains (losses)	**7**	(6)	**(107)**	(44)
	(3)	(5)	**7**	3
Net change in available-for-sale securities				
Net unrealized gains (losses) on available-for-sale securities	**(121)**	(8)	**(75)**	85
Net (gains) losses on available-for-sale securities reclassified to net income	**3**	(33)	**(81)**	(89)
	(118)	(41)	**(156)**	(4)
Net change in cash flow hedges				
Net gains (losses) on derivative financial instruments designated as cash flow hedges	**31**	36	**14**	87
Net (gains) losses on designated derivative financial instruments reclassified to net income	**(2)**	(2)	**(11)**	(11)
	29	34	**3**	76
Share in the other comprehensive income of associates and joint ventures	**2**	–	**4**	–
Item that will not be subsequently reclassified to net income				
Remeasurements of pension plans and other post-employment benefit plans	**67**	53	**61**	23
Total other comprehensive income, net of income taxes	**(23)**	41	**(81)**	98
Comprehensive income	**324**	371	**1,538**	1,636
Comprehensive income attributable to				
Bank shareholders	**306**	354	**1,466**	1,567
Non-controlling interests	**18**	17	**72**	69
	324	371	**1,538**	1,636

INCOME TAXES – OTHER COMPREHENSIVE INCOME

The following table presents the income tax expense or recovery for each component of other comprehensive income.

	Quarter ended October 31		Year ended October 31	
	2015	2014	**2015**	2014
Net foreign currency translation adjustments				
Net unrealized foreign currency translation gains (losses) on investments in foreign operations	**(1)**	1	**5**	3
Impact of hedging net foreign currency translation gains (losses)	**2**	2	**(18)**	(8)
	1	3	**(13)**	(5)
Net change in available-for-sale securities				
Net unrealized gains (losses) on available-for-sale securities	**(47)**	(6)	**(28)**	29
Net (gains) losses on available-for-sale securities reclassified to net income	**–**	(10)	**(31)**	(32)
	(47)	(16)	**(59)**	(3)
Net change in cash flow hedges				
Net gains (losses) on derivative financial instruments designated as cash flow hedges	**11**	13	**4**	32
Net (gains) losses on designated derivative financial instruments reclassified to net income	**(1)**	(1)	**(4)**	(4)
	10	12	**–**	28
Remeasurements of pension plans and other post-employment benefit plans	**26**	21	**23**	10
	(10)	20	**(49)**	30

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(unaudited) (millions of Canadian dollars)

	Year ended October 31	
	2015	2014
Preferred shares at beginning	1,223	677
Issuance of Series 30 and 32 preferred shares	–	650
Redemption of Series 16, 24 and 26 preferred shares for cancellation	(200)	(104)
Preferred shares at end	1,023	1,223
Common shares at beginning	2,293	2,160
Issuances of common shares		
Stock Option Plan	39	102
Public offering	300	–
Impact of shares purchased or sold for trading	(18)	31
Common shares at end	2,614	2,293
Contributed surplus at beginning	52	58
Stock option expense	20	15
Stock options exercised	(5)	(13)
Other	–	(8)
Contributed surplus at end	67	52
Retained earnings at beginning	5,850	5,055
Net income attributable to the Bank's shareholders	1,549	1,469
Dividends		
Preferred shares	(45)	(40)
Common shares	(672)	(616)
Share issuance expenses	(9)	(14)
Remeasurements of pension plans and other post-employment benefit plans	61	23
Impact of a financial liability resulting from a put option written to a non-controlling interest	(29)	(27)
Retained earnings at end	6,705	5,850
Accumulated other comprehensive income at beginning	289	214
Net foreign currency translation adjustments	7	3
Net change in unrealized gains (losses) on available-for-sale securities	(156)	(4)
Net change in gains (losses) on cash flow hedges	1	76
Share in the other comprehensive income of associates and joint ventures	4	–
Accumulated other comprehensive income at end	145	289
Equity attributable to the Bank's shareholders	10,554	9,707
Non-controlling interests at beginning	795	789
Net income attributable to non-controlling interests	70	69
Other comprehensive income attributable to non-controlling interests	2	–
Distributions to non-controlling interests	(66)	(63)
Non-controlling interests at end	801	795
Equity	11,355	10,502

ACCUMULATED OTHER COMPREHENSIVE INCOME

	As at October 31, 2015	As at October 31, 2014
Accumulated other comprehensive income		
Net foreign currency translation adjustments	4	(3)
Net unrealized gains (losses) on available-for-sale securities	12	168
Net gains (losses) on instruments designated as cash flow hedges	124	123
Share in the other comprehensive income of associates and joint ventures	5	1
	145	289

SEGMENT DISCLOSURES

(unaudited) (millions of Canadian dollars)

	Personal and Commercial		Wealth Management		Financial Markets		Other		Total	
Quarter ended October 31	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Net interest income[1]	**464**	436	**81**	79	**239**	211	**(98)**	(85)	**686**	641
Non-interest income	**253**	254	**258**	258	**165**	156	**43**	55	**719**	723
Total revenues	**717**	690	**339**	337	**404**	367	**(55)**	(30)	**1,405**	1,364
Non-interest expenses	**450**	395	**245**	242	**191**	173	**74**	119	**960**	929
Contribution	**267**	295	**94**	95	**213**	194	**(129)**	(149)	**445**	435
Provisions for credit losses	**60**	56	**1**	1	**–**	–	**–**	–	**61**	57
Income before income taxes (recovery)	**207**	239	**93**	94	**213**	194	**(129)**	(149)	**384**	378
Income taxes (recovery)[1]	**55**	65	**24**	24	**56**	52	**(98)**	(93)	**37**	48
Net income	**152**	174	**69**	70	**157**	142	**(31)**	(56)	**347**	330
Non-controlling interests	**–**	–	**–**	–	**5**	4	**14**	14	**19**	18
Net income attributable to the Bank's shareholders	**152**	174	**69**	70	**152**	138	**(45)**	(70)	**328**	312
Average assets	**89,056**	83,658	**10,623**	10,146	**88,447**	89,366	**40,487**	29,102	**228,613**	212,272

	Personal and Commercial		Wealth Management		Financial Markets		Other		Total	
Year ended October 31	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Net interest income[2]	**1,786**	1,699	**323**	312	**996**	824	**(462)**	(291)	**2,643**	2,544
Non-interest income	**1,030**	990	**1,095**	1,011	**706**	690	**272**	229	**3,103**	2,920
Total revenues	**2,816**	2,689	**1,418**	1,323	**1,702**	1,514	**(190)**	(62)	**5,746**	5,464
Non-interest expenses	**1,647**	1,548	**978**	953	**746**	690	**294**	232	**3,665**	3,423
Contribution	**1,169**	1,141	**440**	370	**956**	824	**(484)**	(294)	**2,081**	2,041
Provisions for credit losses	**225**	205	**3**	3	**–**	–	**–**	–	**228**	208
Income before income taxes (recovery)	**944**	936	**437**	367	**956**	824	**(484)**	(294)	**1,853**	1,833
Income taxes (recovery)[2]	**254**	253	**111**	95	**259**	222	**(390)**	(275)	**234**	295
Net income	**690**	683	**326**	272	**697**	602	**(94)**	(19)	**1,619**	1,538
Non-controlling interests	**–**	–	**–**	–	**13**	14	**57**	55	**70**	69
Net income attributable to the Bank's shareholders	**690**	683	**326**	272	**684**	588	**(151)**	(74)	**1,549**	1,469
Average assets	**86,945**	81,516	**10,329**	10,400	**88,616**	86,198	**37,039**	28,566	**222,929**	206,680

(1) Net interest income and income taxes (recovery) of the business segments are presented on a taxable equivalent basis. Taxable equivalent basis is a calculation method that consists in grossing up certain tax-exempt income by the amount of income tax that would have been otherwise payable. For the business segments as a whole, *Net interest income* was grossed up by $64 million ($57 million in 2014). An equivalent amount was added to *Income taxes (recovery)*. The impact of these adjustments is reversed under the *Other* heading.

(2) For the year ended October 31, 2015, *Net interest income* was grossed up by $311 million ($219 million in 2014). An equivalent amount was added to *Income taxes (recovery)*. The impact of these adjustments is reversed under the *Other* heading.

Personal and Commercial

The Personal and Commercial segment encompasses the banking, financing, and investing services offered to individuals and businesses as well as insurance operations.

Wealth Management

The Wealth Management segment comprises investment solutions, trust services, banking services, lending services and other wealth management solutions offered through internal and third-party distribution networks.

Financial Markets

The Financial Markets segment encompasses banking services, investment banking services and financial solutions for institutional clients. The segment is also active in proprietary trading and investment activities for the Bank.

Other

This heading encompasses Treasury activities, including the Bank's asset and liability management, liquidity management and funding operations, certain non-recurring items and the unallocated portion of corporate services.

INFORMATION FOR SHAREHOLDERS AND INVESTORS

Disclosure of Fourth Quarter 2015 Results

Conference Call

– A conference call for analysts and institutional investors will be held on Wednesday, December 2, 2015 at 1:00 p.m. EST.
– Access by telephone in listen-only mode: 1-866-862-3930 or 416-340-2217. The access code is 1937377#.
– A recording of the conference call can be heard until December 30, 2015 by dialing 1-800-408-3053 or 905-694-9451. The access code is 4796186#.

Webcast

– The conference call will be webcast live at nbc.ca/investorrelations.
– A recording of the webcast will also be available on National Bank's website after the call.

Financial Documents

– The *Press release* (which includes the quarterly consolidated financial statements) is available at all times on National Bank's website at nbc.ca/investorrelations.
– The *Press release*, the *Supplementary Financial Information*, the *Supplementary Regulatory Capital Disclosure*, and a slide presentation will be available on the Investor Relations page of National Bank's website shortly before the start of the conference call.
– The *2015 Annual Report* (which includes the audited annual consolidated financial statements and management's discussion and analysis) will also be available on National Bank's website.
– *The Report to Shareholders* for the first quarter ended January 31, 2016 will be available on February 23, 2016 (subject to approval by the Bank's Board of Directors).

Caution Regarding Forward-Looking Statements

From time to time, the Bank makes written and oral forward-looking statements, such as those contained in the Outlook for National Bank and the Major Economic Trends sections of the *2015 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 2016 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 2016 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 credit risk, market risk, liquidity and funding risk, operational risk, regulatory compliance risk, reputation risk, strategic risk and environmental risk (all of which are described in more detail in the Risk Management section beginning on page 55 of the *2015 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; 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 section of the *2015 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.

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