NATIONAL BANK

Powering your ideas™

INVESTOR PRESENTATION

Q1|19

February 27, 2019

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

From time to time, the Bank makes written and oral forward-looking statements, such as those contained in the Economic Review and Outlook section of the Report to Shareholders – First quarter 2019 and in the Major Economic Trends section of the 2018 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 2019 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 2019 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 52 of the 2018 Annual Report; specifically, 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; 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 2018 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.

OVERVIEW

Louis Vachon
President & Chief Executive Officer

OVERVIEW - Q1|19

($MM, TEB)	Q1 19	Q4 18	Q1 18	QoQ	YoY
Revenues	1,862	1,874	1,865	(1%)	-
Net Income	552	566	550	(2%)	-
Diluted EPS	$1.50	$1.52	$1.46	(1%)	3%
Efficiency Ratio	55.1%	55.3%	54.9%	-20 bps	+20 bps
Return on Equity	17.2%	17.8%	18.7%		
CET1 Ratio Under Basel III	11.5%	11.7%	11.2%		

Highlights

- Good overall performance offset by lower activity in Financial Markets
- Continued cost control
- ROE of 17.2%
- High capital levels
- Credit quality remains strong
- Favorable economic conditions in core Québec market

SEGMENT HIGHLIGHTS – Q1|19

NET INCOME ($MM)	Q1 19	Q4 18	Q1 18	QoQ	YoY
P&C Banking	246	257	230	(4%)	7%
Wealth Management	125	118	114	6%	10%
Financial Markets	170	192	204	(11%)	(17%)
US Specialty Finance & International	60	55	50	9%	20%

P&C Banking

- Continued momentum driven by strong loan and deposit growth
- Positive operating leverage

Wealth Management

- Double digit growth driven by favorable business mix
- Benefiting from higher interest rates and volume growth

Financial Markets

- Solid Global Markets performance and strong Corporate Banking offset by lower fee business

USSF&I

- Disciplined portfolio acquisition strategy at Credigy
- Strong growth in ABA Bank

FINANCIAL REVIEW

Ghislain Parent

Chief Financial Officer and
Executive Vice-President, Finance

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TRANSFORMATION DRIVING EFFICIENCIES

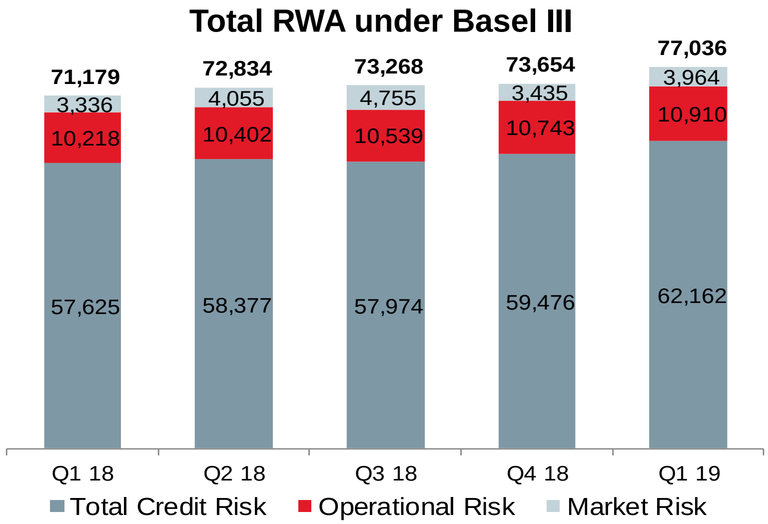
($MM, TEB)	Q1 19	Q1 18	YoY
Revenues	1,862	1,865	(0.2%)
Expenses	1,026	1,024	0.2%
Operating Leverage			(0.4%)

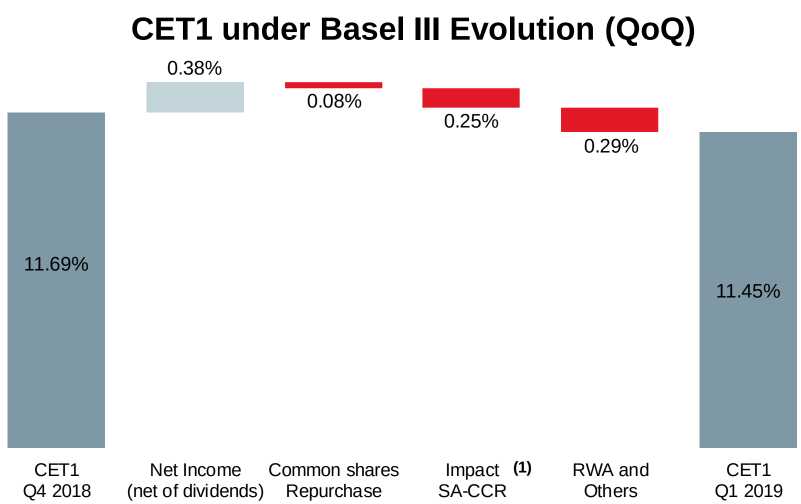
Efficiency Ratio	Q1 19	Q4 18	Q1 18	QoQ (bps)	YoY (bps)
Total Bank	55.1%	55.3%	54.9%	(20)	20
Personal & Commercial	53.8%	52.5%	54.4%	130	(60)
Wealth Management	61.1%	62.5%	63.4%	(140)	(230)
Financial Markets	42.7%	39.9%	38.8%	280	390
US Specialty Finance & International	39.8%	41.1%	37.3%	(130)	250

Highlights

- Efficiency remains a top priority
- Ability to adjust costs rapidly in a lower growth environment
- Efficiency ratio improvement of 20 bps QoQ
- Positive operating leverage YoY and efficiency ratio improvements in P&C and Wealth Management
- Maintain target operating leverage range of 1%-2% for F2019

STRONG CAPITAL POSITION





Highlights

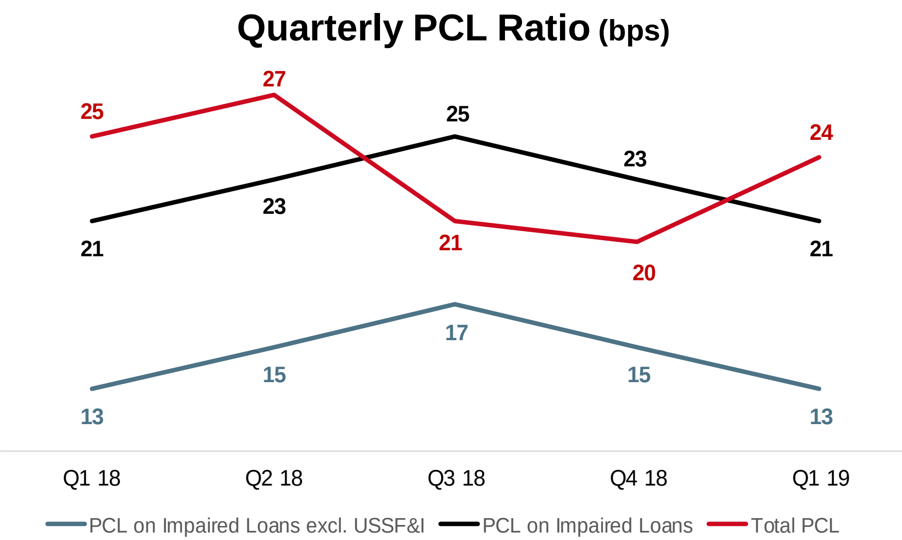
- Common Equity Tier 1 ratio at 11.5%
- Total capital ratio at 16.3%
- Leverage ratio at 4.1%
- Liquidity coverage ratio at 139%
- RWA growth mainly due to higher loan volumes
- 1 million common shares repurchased in Q1-2019

(1) During the first quarter of 2019 the Bank applied several new regulatory requirements, in particular the SA-CCR (Standardized Approach for Measuring Counterparty Credit) rules and the revised securitization framework.

RISK MANAGEMENT

William Bonnell
Executive Vice-President
Risk Management

PROVISIONS FOR CREDIT LOSSES



PCL by Business Segment

($MM)	Q1 19	Q4 18	Q1 18
Personal	43	42	36
Commercial	1	9	8
Wealth Management	-	-	-
Financial Markets	2	-	-
PCL on Impaired Loans x-USSF&I	46	51	44
ABA Bank	1	2	2
Credigy	30	30	27
Total PCL on Impaired Loans	77	83	73
PCL on Performing Loans x-USSF&I	15	-	14
PCL on Performing Loans USSF&I	(8)	5	5
POCI	4	(15)	(5)
Total PCL	88	73	87

Highlights

PCL on impaired loans:

- $77 million (21 bps), improved by 2 bps QoQ due to lower provisions in Commercial Banking
- Excluding USSF&I, PCL on impaired loans declined to $46 million (13 bps) remaining close to cyclical lows

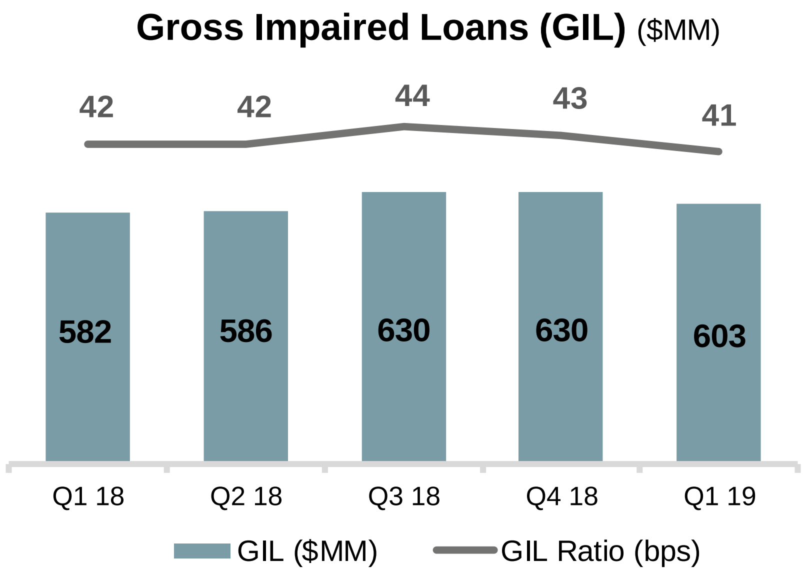
PCL on performing loans:

- Increased by $2 million QoQ to $7 million (2 bps) primarily due to portfolio growth, updated macro economic variables and inputs in IFRS 9 models, and a reduction in provisions at Credigy
- Excluding USSF&I, PCL on performing loans increased to $15 million (4 bps)

Total PCL:

- $88 million (24 bps), with the QoQ increase primarily due to a POCI recovery last quarter
- We maintain our total PCL target range of 20-30 bps for 2019

GROSS IMPAIRED LOANS[1] AND FORMATIONS[2]



Highlights

- GIL ratio of 41 bps, down 2 bps QoQ due to repayments in Commercial Banking
- Lower formations, primarily due to Commercial Banking

Net Formations by Business Segment

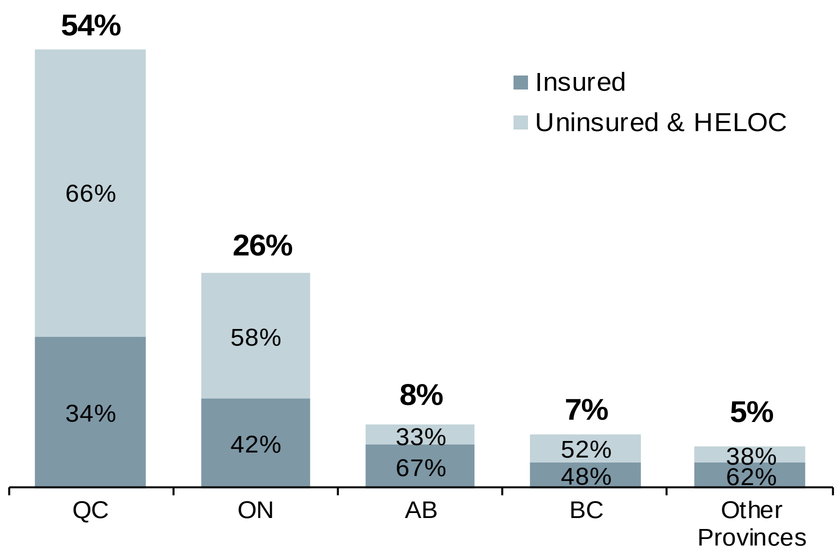
($MM)	Q1 19	Q4 18	Q3 18	Q2 18	Q1 18
Personal	55	56	44	40	49
Commercial	(43)	(4)	48	30	8
Financial Markets	9	–	–	–	–
Wealth Management	–	2	–	(2)	1
Credigy	36	33	36	20	27
ABA Bank	1	2	4	0	4
Total GIL Net Formations	58	89	132	88	89

(1) Under IFRS 9, impaired loans are all loans classified in stage 3 of the expected credit loss model. Those loans do not take into account purchased or originated credit-impaired loans.
(2) Formations include new accounts, disbursements, principal repayments, and exchange rate fluctuation; net of write-offs.

RETAIL MORTGAGE AND HELOC PORTFOLIO

Canadian Distribution by Province

(As at Jan. 31, 2019)



QC	ON	AB	BC	Other Provinces
62%	53%	68%	50%	56%

Average LTV - Uninsured and HELOC[(1)]

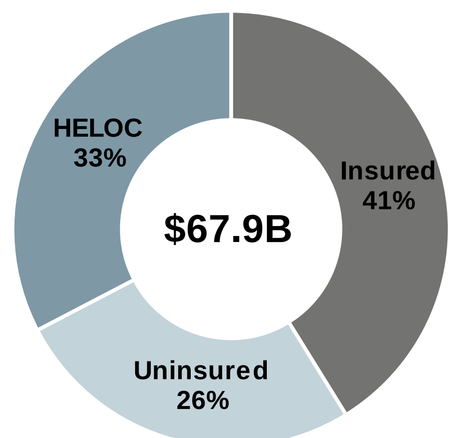
Canadian Uninsured and HELOC Portfolio

	HELOC	Uninsured
Average LTV[(1)]	58%	60%
Average FICO Score	756	746
90+ Days Past Due (bps)	7	23

Highlights

- Distribution across product and geography remained stable. Insured mortgages account for 41% of the total
- Uninsured mortgages and HELOC in GTA and GVA represent 10% and 2% of the total portfolio and have an average LTV[(1)] of 52% and 49% respectively

Canadian Distribution by Mortgage Type



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

APPENDICES

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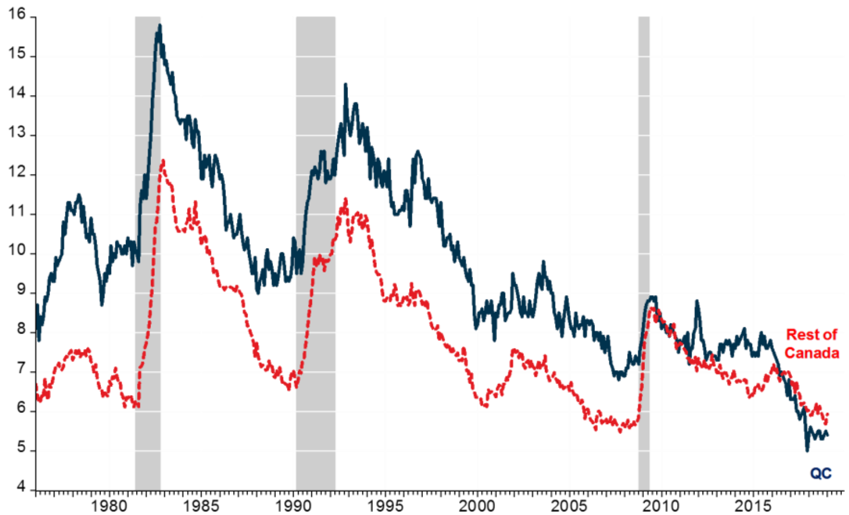
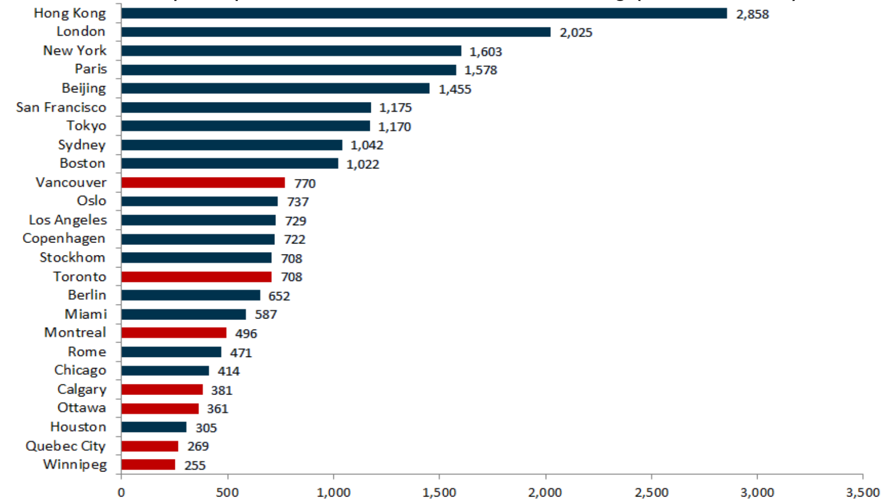
APPENDIX 1 | STRONG FUNDAMENTALS IN QUÉBEC ECONOMY

QUÉBEC: JOBLESS RATE STANDS AT 5.4% IN JANUARY 2019



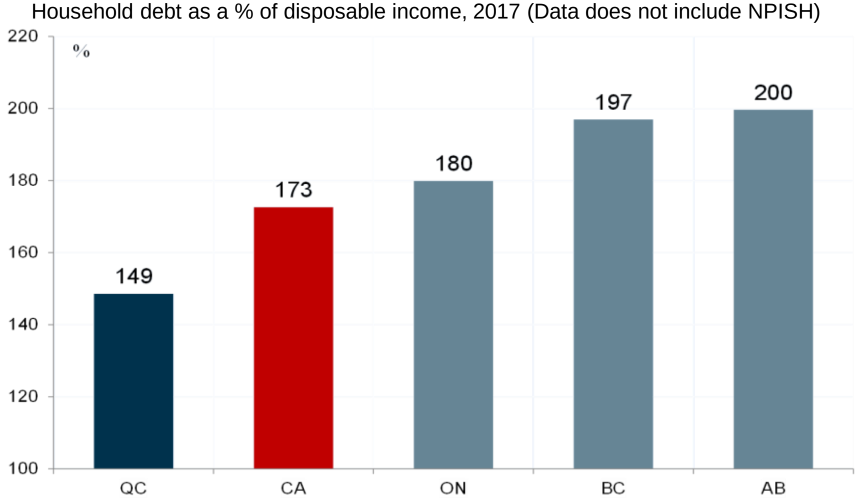
GLOBAL PERSPECTIVE ON HOME PRICES

Price per square feet in USD for downtown living (Summer 2018)

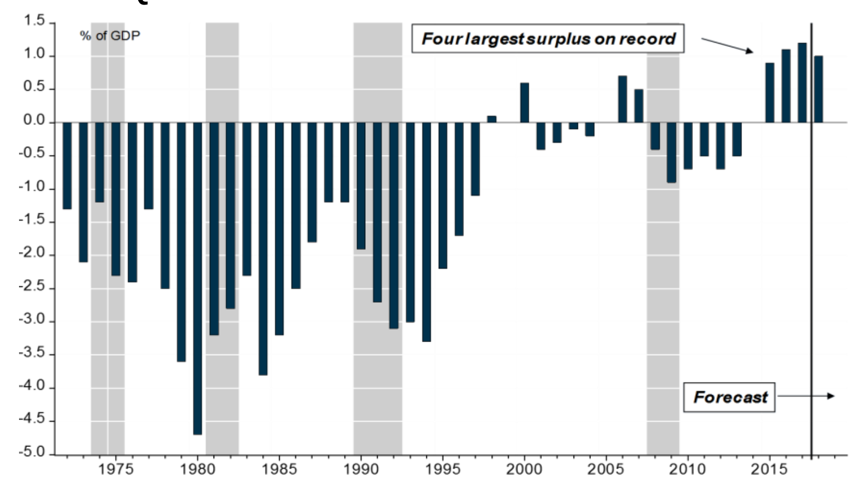


QUÉBEC: HOUSEHOLD LEVERAGE REMAINS BELOW NATIONAL AVERAGE

Household debt as a % of disposable income, 2017 (Data does not include NPISH)



QUÉBEC HAS SOUND PUBLIC FINANCES



Sources: NBF Economics and Strategy (data via Statistics Canada)

APPENDIX 2 | PERSONAL AND COMMERCIAL BANKING

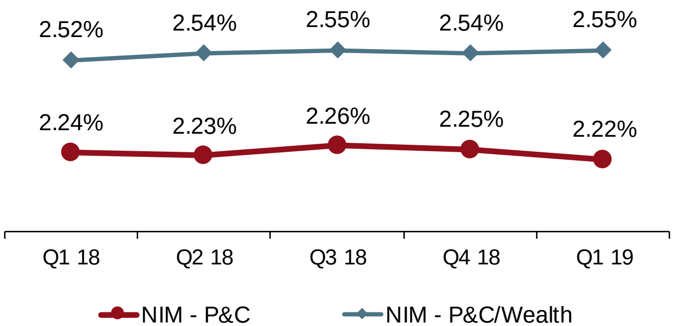
($MM)	Q1 19	Q4 18	Q1 18	QoQ	YoY
Revenues	**852**	**849**	**815**	**-**	**5%**
Personal	527	530	520	(1%)	1%
Commercial	325	319	295	2%	10%
Operating Expenses	**458**	**446**	**443**	**3%**	**3%**
Pre-provisions / Pre-tax	**394**	**403**	**372**	**(2%)**	**6%**
Provisions for Credit Losses	**58**	**52**	**58**	**12%**	**-**
Net Income	**246**	**257**	**230**	**(4%)**	**7%**

Key Metrics ($MM)	Q1 19	Q4 18	Q1 18	QoQ	YoY
Loans & BAs - Personal (avg vol.)	75,268	74,413	72,002	1%	5%
Loans & BAs - Commercial (avg vol.)	35,321	34,703	32,235	2%	10%
Loans & BAs - Total (avg vol.)	**110,589**	**109,116**	**104,237**	**1%**	**6%**
Deposits - Total **(avg vol.)**	**61,393**	**61,068**	**56,519**	**1%**	**9%**
NIM (%)	2.22%	2.25%	2.24%	(0.03%)	(0.02%)
Efficiency Ratio (%)	53.8%	52.5%	54.4%	+130 bps	-60 bps
PCL ratio	0.21%	0.19%	0.22%	0.02%	(0.01%)

Highlights[1]

- Net income up 7% YoY due to good revenue growth and good cost control
- Solid loan and deposit volume growth
- Pressure on retail loan margin due to lower prime/BA spread and competitive market environment
  - Combined P&C-Wealth NIM +3 bps YoY
- Positive operating leverage
- Efficiency ratio improved by 60 bps YoY

Margins Evolution[2]



(1) Effective November 1, 2018, advisor banking service activities, in partnership with non-bank financial institutions, are now presented in the Personal and Commercial segment. These activities were previously presented in the Wealth Management segment. These activities represent approximately $16M in revenues per quarter. The inter-segment transfer has no impact on the consolidated results of the Bank. All comparative figures have been revised to be consistent with the new presentation.
(2) NIM is on Earning Assets

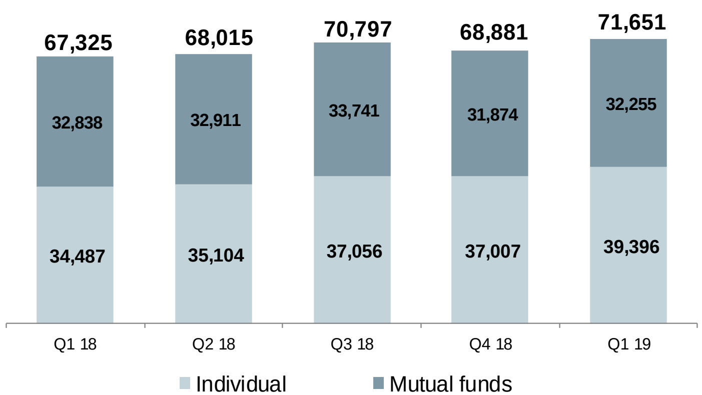
APPENDIX 3 | WEALTH MANAGEMENT

($MM)	Q1 19	Q4 18	Q1 18	QoQ	YoY
Revenues	**434**	**427**	**424**	**2%**	**2%**
Fee-based	242	247	246	(2%)	(2%)
Transaction & Others	64	65	70	(2%)	(9%)
Net Interest Income	128	115	108	11%	19%
Operating Expenses	**265**	**267**	**269**	**(1%)**	**(1%)**
Provision for Credit Losses	**-**	**-**	**-**		
Net Income	**125**	**118**	**114**	**6%**	**10%**
Key Metrics ($B)	**Q1 19**	**Q4 18**	**Q1 18**	**QoQ**	**YoY**
Loans & BAs (avg vol.)	4.9	4.9	4.5	-	9%
Deposits (avg vol.)	33.1	31.8	31.0	4%	7%
Asset Under Administration	438	416	428	5%	2%
Asset Under Management	72	69	67	4%	7%
Efficiency Ratio (%)	61.1%	62.5%	63.4%	-140 bps	-230 bps

Highlights(1)

- Double digit earnings growth in a challenging market environment
- Revenues were up 2%, driven by higher interest rates and volume growth
- Positive net sales offsetting market decline, translating into AUA and AUM up 2% and 7%, respectively

Assets under Management ($MM)



(1) Effective November 1, 2018, advisor banking service activities, in partnership with non-bank financial institutions, are now presented in the Personal and Commercial segment. These activities were previously presented in the Wealth Management segment. These activities represent approximately $16M in revenues per quarter. The inter-segment transfer has no impact on the consolidated results of the Bank. All comparative figures have been revised to be consistent with the new presentation.

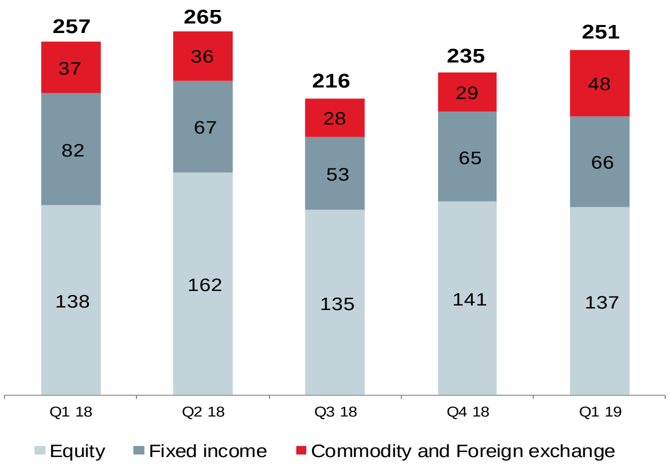
APPENDIX 4 | FINANCIAL MARKETS

($MM)	Q1 19	Q4 18	Q1 18	QoQ	YoY
Revenues	**410**	**436**	**454**	**(6%)**	**(10%)**
Global Markets	251	235	257	7%	(2%)
Corporate & Investment Banking	160	202	181	(21%)	(12%)
Gains on Investments & Other	(1)	(1)	16		
Operating Expenses	**175**	**174**	**176**	**1%**	**(1%)**
Provision for Credit Losses	**3**	**-**	**-**		
Net Income	**170**	**192**	**204**	**(11%)**	**(17%)**
Other Metrics ($MM)	**Q1 19**	**Q4 18**	**Q1 18**	**QoQ**	**YoY**
Loans & BAs (avg vol.) Corporate banking	16,230	16,005	14,025	1%	16%
Efficiency Ratio (%)	42.7%	39.9%	38.8%	+280 bps	+390 bps

Highlights

- Solid Global Markets performance driven by increased client activity and revenues in Commodities and Interest Rate Derivatives
- Strong growth in corporate lending
- Lower financial market fees due to lower activity in ECM, DCM and M&A

Global Markets Revenues ($MM)



APPENDIX 5 | US SPECIALTY FINANCE & INTERNATIONAL

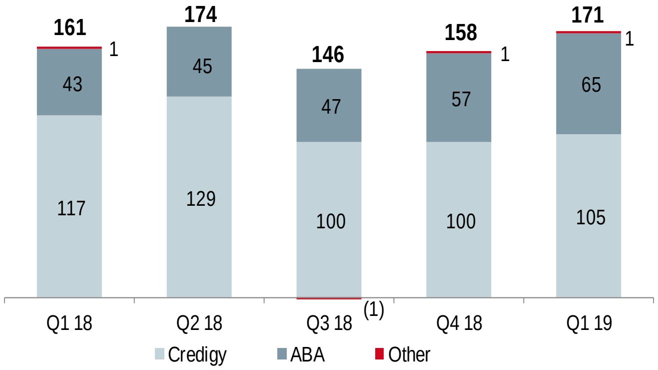
($MM)	Q1 19	Q4 18	Q1 18	QoQ	YoY
Revenues	**171**	**158**	**161**	**8%**	**6%**
Credigy	105	100	117	5%	(10%)
ABA	65	57	43	14%	51%
Other	1	1	1	-	-
Operating Expenses	**68**	**65**	**60**	**5%**	**13%**
Credigy	36	38	39	(5%)	(8%)
ABA	31	27	20	15%	55%
Other	1	-	1	-	-
Provision for Credit Losses	**27**	**22**	**29**	**23%**	**(7%)**
Credigy	23	18	26	28%	(12%)
ABA	4	4	3	-	33%
Other	-	-	-	-	-
Net Income	**60**	**55**	**50**	**9%**	**20%**
Credigy	36	34	34	6%	6%
ABA	24	20	16	20%	50%
Other	-	1	-	-	-

Other Metrics ($MM)	Q1 19	Q4 18	Q1 18	QoQ	YoY
Loans (avg vol.) Credigy	6,498	6,145	6,197	6%	5%
Loans (avg vol.) ABA	2,310	2,073	1,487	11%	55%
Deposits (avg vol.) ABA	2,758	2,289	1,532	20%	80%
Efficiency Ratio (%)	39.8%	41.1%	37.3%	-130 bps	+250 bps
Number of Branches ABA Bank	66	63	54	5%	22%

Highlights

- ABA's net income up 50% due to strong loan and deposit volume growth as well as network expansion
- Credigy's net income up 6% due to US tax reform
- Disciplined growth at Credigy
- Moratorium on significant investments in emerging markets until the end of 2020

Quarterly Revenues ($MM)



APPENDIX 6 | OTHER

($MM, TEB)	Q1 19	Q4 18	Q1 18	QoQ	YoY
Revenues	(5)	4	11	(225%)	(145%)
Operating Expenses	60	84	76	(29%)	(21%)
Provision for Credit Losses	-	(1)	-		
Net Income	(49)	(56)	(48)		

Highlights

- Lower Treasury revenues offset by lower variable compensation and employee benefits

APPENDIX 7 | TOTAL LOAN PORTFOLIO OVERVIEW

Loan Distribution by Borrower Category

($B)	As at Jan. 31, 2019	% of Total
Retail		
- Secured - Mortgage & HELOC	71.2	*49%*
- Secured - Other [(1)]	8.8	*6%*
- Unsecured	4.9	*3%*
- Credit Cards	2.1	*1%*
Total Retail	**87.0**	***59%***
Non-Retail		
- Real Estate and Construction RE	11.0	*7%*
- Agriculture	5.9	*4%*
- Retail & Wholesale trade	5.6	*4%*
- Manufacturing	5.3	*4%*
- Finance and Insurance	4.8	*3%*
- Other Services	4.7	*3%*
- Oil & Gas and Pipeline	4.4	*3%*
Oil & Gas	2.7	2%
Pipeline & Other	1.7	1%
- Other[(2)]	17.3	*12%*
Total Non-Retail	**59.0**	***40%***
Purchased or Originated Credit-impaired	1.4	*1%*
Total Gross Loans and Acceptances	**147.4**	***100%***

(1) Includes indirect lending and other lending secured by assets other than real estate.
(2) Includes Mining, Other Services, Utilities, Transportation, Professional Services, Construction, Communication, Government and Education & Health Care

Highlights

- Secured lending accounts for 92% of Retail loans
- Limited exposure to unsecured retail and cards (4% of total loans)
- Non-Retail portfolio is well diversified across industries
- Revised reporting of O&G and related sectors (pipelines, refineries and integrated) and Real Estate and Construction sector

APPENDIX 8 | REGIONAL DISTRIBUTION OF CANADIAN LOANS

As at Jan 31, 2019	Quebec	Ontario	Oil Regions[1]	BC/MB	Maritimes[2] and Territories	TOTAL
Retail						
Secured - Mortgage & HELOC	27.1%	13.2%	4.8%	3.8%	1.1%	**50.0%**
Secured - Other	3.3%	1.3%	0.5%	0.6%	0.4%	**6.1%**
Unsecured and Credit Cards	3.5%	0.5%	0.2%	0.1%	0.2%	**4.5%**
Total Retail	**33.9%**	**15.1%**	**5.5%**	**4.5%**	**1.7%**	**60.6%**
Non-Retail						
Commercial	17.6%	4.1%	2.2%	1.0%	0.7%	**25.6%**
Corporate Banking and Other[3]	5.0%	4.3%	2.9%	1.2%	0.4%	**13.8%**
Total Non-Retail	**22.6%**	**8.4%**	**5.1%**	**2.2%**	**1.1%**	**39.4%**
Total	**56.5%**	**23.4%**	**10.6%**	**6.7%**	**2.8%**	**100.0%**

Highlights

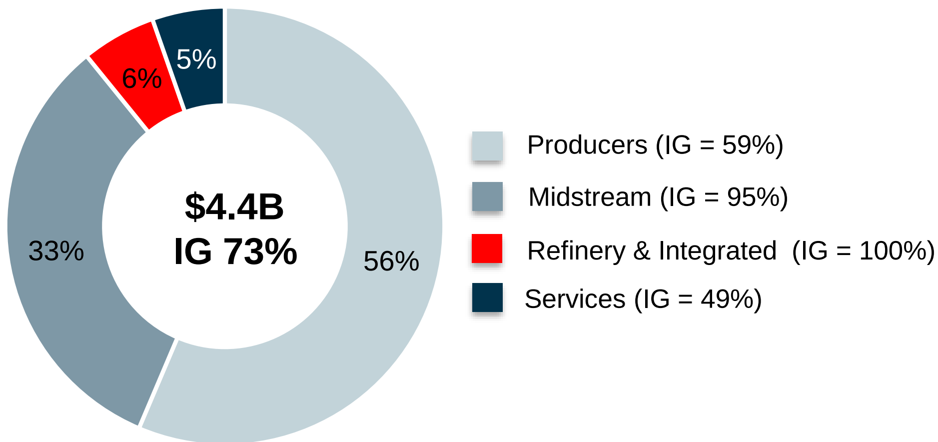
Within the Canadian loan portfolio:

- Limited exposure to unsecured consumer loans (4.5%)
- Modest exposure to unsecured consumer loans outside Québec (1%)
- RESL exposure predominantly in Québec

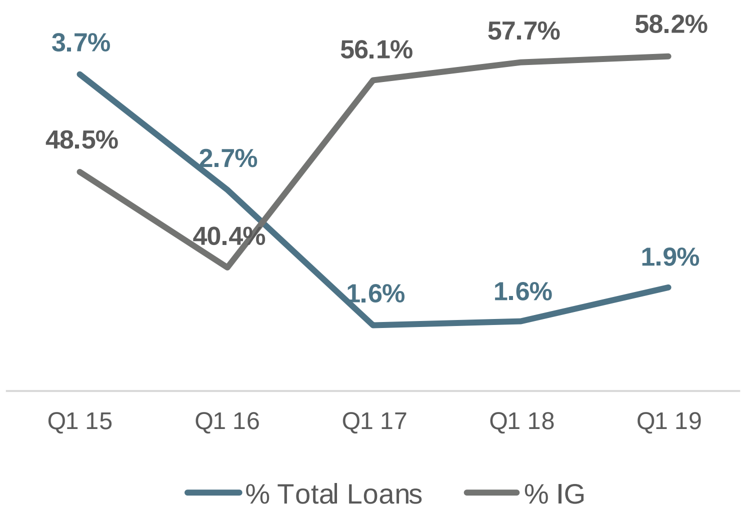
(1) Oil regions include Alberta, Saskatchewan and Newfoundland
(2) Maritimes include New Brunswick, Nova Scotia and P.E.I.
(3) Includes Corporate, Other FM and Government portfolios

APPENDIX 9 | OIL & GAS AND PIPELINES SECTOR

Outstanding Loans ($B)



Outstanding Loans Producers & Services



Note: IG refers to investment grade equivalent AIRB ratings

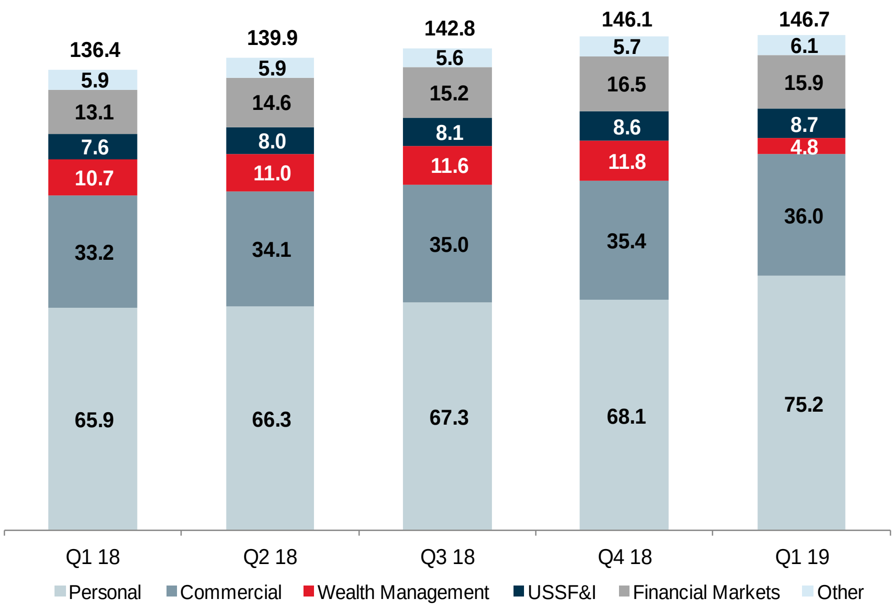
Highlights

- New segmentation for O&G industry. Producers and Services, Pipelines and Refinery & Integrated are now presented as one sector.
- 59% of outstanding loans to Producers, 95% to Midstream are rated investment grade
- Material rebalancing of portfolio of loans to O&G producers and services since 2015

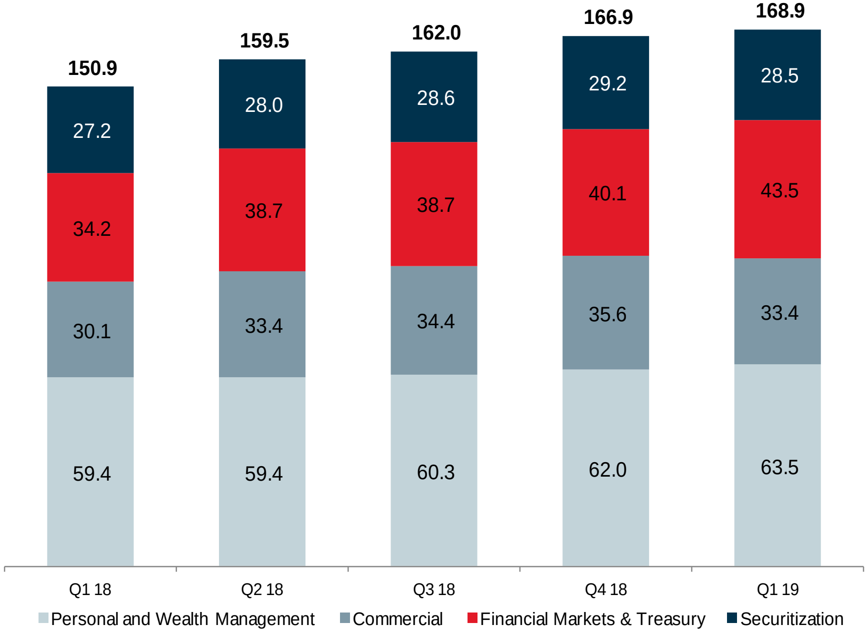
APPENDIX 10 | BALANCE SHEET OVERVIEW (BANKING BOOK & OTHER)

($B)

Lending - Loans and BAs (month end balance)



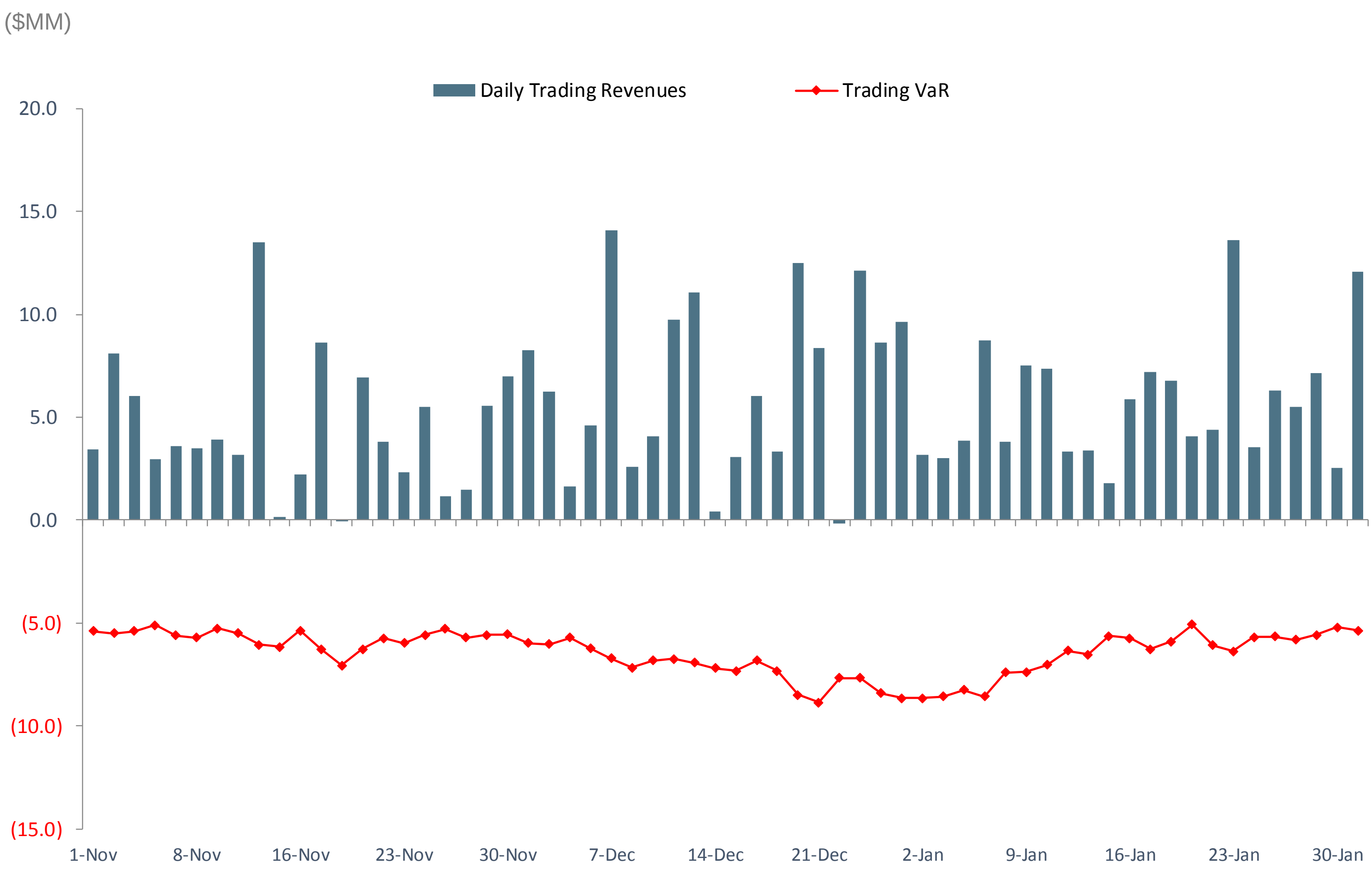
Funding - Deposits and BAs (month end balance)



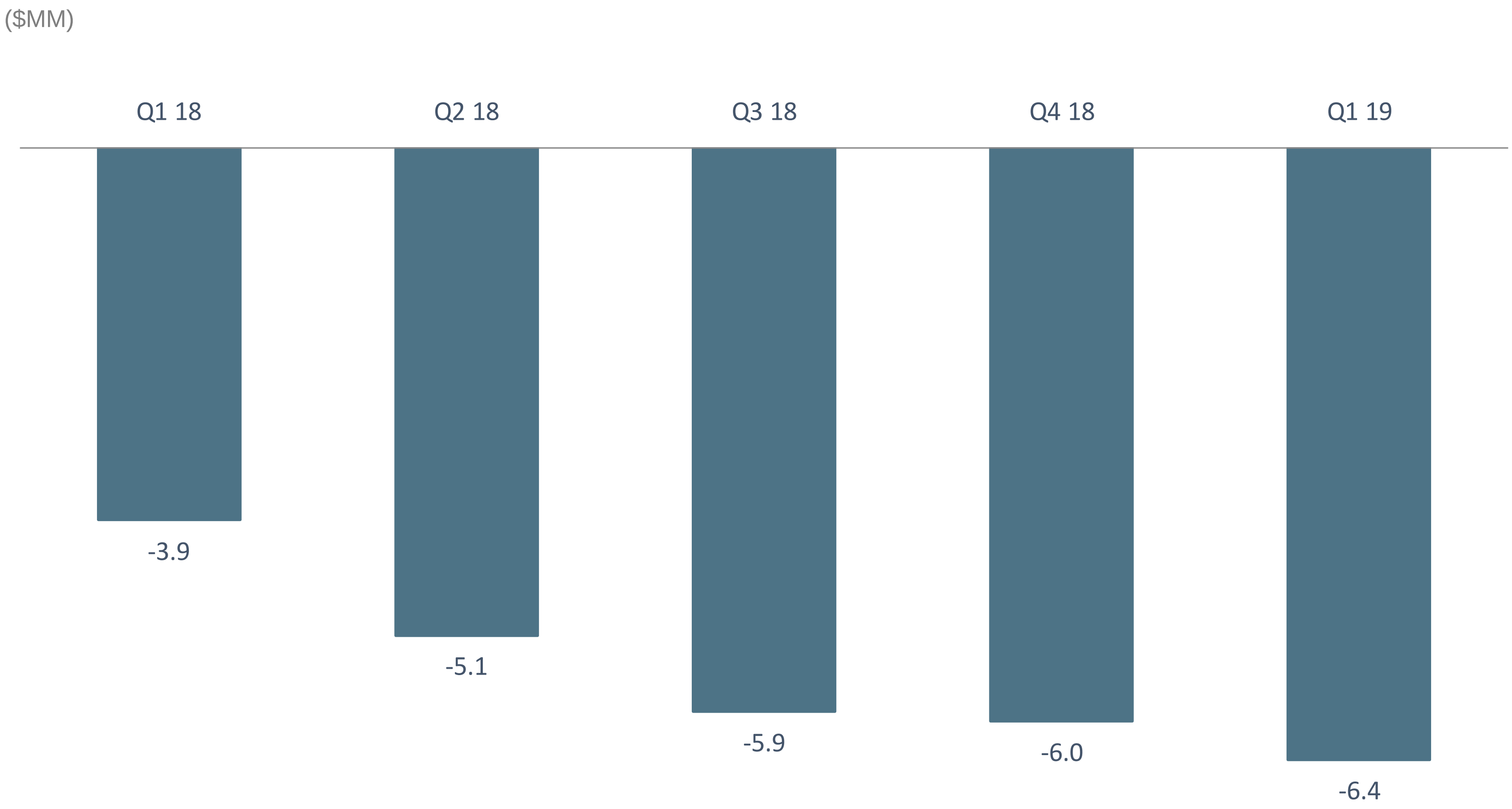
	YoY growth
▪ Personal and Wealth Management	5%
▪ Commercial and Financial Markets	11%
▪ USSF&I	15%

	YoY growth
▪ Personal and Wealth Management	7%
▪ Commercial, Financial Markets & Treasury	20%
▪ Securitization	5%

APPENDIX 11 | DAILY TRADING and UNDERWRITING REVENUES vs VAR



APPENDIX 12 | TRADING VaR TREND



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