

National Bank reports its results for the Second Quarter of 2024 and raises its quarterly dividend by 4 cents to \$1.10 per share

The financial information reported in this document is based on the unaudited interim condensed consolidated financial statements for the quarter and six-month period ended April 30, 2024 and is prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), unless otherwise indicated. IFRS represent Canadian generally accepted accounting principles (GAAP). All amounts are presented in Canadian dollars.

MONTREAL, May 29, 2024 – For the second quarter of 2024, National Bank is reporting net income of \$906 million, up 9% from \$832 million in the second quarter of 2023. Second-quarter diluted earnings per share stood at \$2.54 compared to \$2.34 in the second quarter of 2023. These increases were driven by total revenue growth in all of the business segments, partly offset by higher non-interest expenses and higher provisions for credit losses.

For the six-month period ended April 30, 2024, the Bank's net income totalled \$1,828 million, up 7% from \$1,708 million in the same period of 2023. First-half diluted earnings per share stood at \$5.13 compared to \$4.81 in the first half of 2023. These increases were driven by good performance, owing to revenue growth, in all of the business segments, partly offset by higher non-interest expenses, higher provisions for credit losses, and the impact of the Canadian government's 2022 tax measures recorded in the first half of 2023. Excluding the impact of these measures, first-half adjusted net income⁽¹⁾ totalled \$1,828 million, up 6% from \$1,732 million in first-half 2023, while first-half adjusted diluted earnings per share⁽¹⁾ stood at \$5.13, up 5% from \$4.88 in first-half 2023.

"National Bank generated strong financial results for the second quarter of 2024, reflecting the disciplined execution of our strategy across business segments and the diversified earnings power of the Bank," said Laurent Ferreira, President and Chief Executive Officer of National Bank of Canada. "In what remains an uncertain macroeconomic environment, we are committed to maintaining our prudent approach to capital, credit, and costs and to generating long-term value for our shareholders."

Highlights

(millions of Canadian dollars)	Quarter ended April 30			Six months ended April 30		
	2024	2023 ⁽²⁾	% Change	2024	2023 ⁽²⁾	% Change
Net income	906	832	9	1,828	1,708	7
Diluted earnings per share (<i>dollars</i>)	\$ 2.54	\$ 2.34	9	\$ 5.13	\$ 4.81	7
Income before provisions for credit losses and income taxes	1,278	1,084	18	2,539	2,256	13
Return on common shareholders' equity ⁽³⁾	16.9 %	17.2 %		17.0 %	17.5 %	
Dividend payout ratio ⁽³⁾	43.2 %	40.5 %		43.2 %	40.5 %	
Operating results – Adjusted⁽¹⁾						
Net income – Adjusted	906	832	9	1,828	1,732	6
Diluted earnings per share – Adjusted (<i>dollars</i>)	\$ 2.54	\$ 2.34	9	\$ 5.13	\$ 4.88	5
Income before provisions for credit losses and income taxes – Adjusted	1,365	1,216	12	2,736	2,518	9
				As at April 30, 2024	As at October 31, 2023	
CET1 capital ratio under Basel III ⁽⁴⁾				13.2 %	13.5 %	
Leverage ratio under Basel III ⁽⁴⁾				4.4 %	4.4 %	

(1) See the Financial Reporting Method section on pages 3 to 6 for additional information on non-GAAP financial measures.

(2) Certain amounts have been adjusted to reflect accounting policy changes arising from the adoption of IFRS 17. For additional information, see Note 2 to the unaudited interim condensed consolidated financial statements in the *Report to Shareholders – Second Quarter 2024*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.

(3) For details on the composition of these measures, see the Glossary section on pages 47 to 50 in the *Report to Shareholders – Second Quarter 2024*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.

(4) For additional information on capital management measures, see the Financial Reporting Method section on pages 4 to 10 in the *Report to Shareholders – Second Quarter 2024*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.

Personal and Commercial

- Net income totalled \$311 million in the second quarter of 2024 versus \$320 million in the second quarter of 2023, a 3% decrease that was mainly due to higher provisions for credit losses.
- Income before provisions for credit losses and income taxes totalled \$519 million in the second quarter of 2024, up 9% from \$478 million in the second quarter of 2023.
- At \$1,131 million, second-quarter total revenues rose \$64 million or 6% year over year, mainly due to an increase in net interest income (driven by growth in loan and deposit volumes) and to a higher net interest margin.
- Compared to a year ago, personal lending grew 3% and commercial lending grew 12%.
- The net interest margin⁽¹⁾ stood at 2.36% in the second quarter of 2024, up from 2.34% in the second quarter of 2023.
- Second-quarter non-interest expenses stood at \$612 million, up 4% from the second quarter of 2023.
- Second-quarter provisions for credit losses rose \$52 million year over year, mainly due to higher provisions for credit losses on impaired loans.
- At 54.1%, the second-quarter efficiency ratio⁽¹⁾ improved from 55.2% in the second quarter of 2023.

Wealth Management

- Net income totalled \$205 million in the second quarter of 2024, a 15% increase from \$178 million in the second quarter of 2023.
- Second-quarter total revenues amounted to \$683 million compared to \$617 million in second-quarter 2023, a \$66 million or 11% increase driven mostly by growth in fee-based revenues.
- Second-quarter non-interest expenses stood at \$400 million versus \$372 million in second-quarter 2023, an 8% increase associated with the revenue growth.
- At 58.6%, the second-quarter efficiency ratio⁽¹⁾ improved from 60.3% in the second quarter of 2023.

Financial Markets

- Net income totalled \$322 million in the second quarter of 2024, up 20% from \$268 million in the second quarter of 2023.
- Second-quarter total revenues on a taxable equivalent basis amounted to \$766 million, up \$94 million or 14% given increases in global markets revenues and in revenues from corporate and investment banking services.
- Second-quarter non-interest expenses stood at \$312 million compared to \$283 million in second-quarter 2023, an increase that was partly due to compensation and employee benefits as well as to the segment's technological investments.
- Second-quarter provisions for credit losses stood at \$11 million, down \$8 million year over year.
- At 40.7%, the efficiency ratio⁽¹⁾ on a taxable equivalent basis improved from 42.1% in the second quarter of 2023.

U.S. Specialty Finance and International

- Net income totalled \$163 million in the second quarter of 2024, up 27% from \$128 million in the second quarter of 2023.
- Second-quarter total revenues amounted to \$350 million, a 23% year-over-year increase driven by revenue growth at both the Credigy and ABA Bank subsidiaries.
- Second-quarter non-interest expenses stood at \$108 million, a 10% year-over-year increase attributable mainly to business growth at ABA Bank.
- Second-quarter provisions for credit losses were up \$11 million year over year, with the increase being attributable to both Credigy and ABA Bank.
- At 30.9%, the efficiency ratio⁽¹⁾ improved from 34.4% in the second quarter of 2023.

Other

- Net loss stood at \$95 million in the second quarter of 2024 versus a \$62 million net loss in the second quarter of 2023 due to a lower contribution from Treasury activities and to higher non-interest expenses.

Capital Management

- As at April 30, 2024, the Common Equity Tier 1 (CET1) capital ratio under Basel III⁽²⁾ stood at 13.2%, down from 13.5% as at October 31, 2023, notably due to a negative impact of implementing the revised market risk and credit valuation adjustment (CVA) risk frameworks.
- As at April 30, 2024, the Basel III⁽²⁾ leverage ratio was 4.4%, stable compared to October 31, 2023.

Dividends

- On May 28, 2024, the Board of Directors declared regular dividends on the various series of first preferred shares and a dividend of \$1.10 per common share, up 4 cents or 4%, payable on August 1, 2024 to shareholders of record on June 24, 2024.

(1) For details on the composition of these measures, see the Glossary section on pages 47 to 50 in the *Report to Shareholders – Second Quarter 2024*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.

(2) For additional information on capital management measures, see the Financial Reporting Method section on pages 4 to 10 in the *Report to Shareholders – Second Quarter 2024*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.

Financial Reporting Method

The Bank's consolidated financial statements are prepared in accordance with IFRS, as issued by the IASB. The financial statements also comply with section 308(4) of the *Bank Act* (Canada), which states that, except as otherwise specified by the Office of the Superintendent of Financial Institutions (Canada) (OSFI), the consolidated financial statements are to be prepared in accordance with IFRS, which represent Canadian GAAP. None of the OSFI accounting requirements are exceptions to IFRS.

The presentation of segment disclosures is consistent with the presentation adopted by the Bank for the fiscal year beginning November 1, 2023. This presentation reflects the retrospective application of accounting policy changes arising from the adoption of IFRS 17– Insurance Contracts (IFRS 17). For additional information, see Note 2 to the consolidated financial statements. The figures for the 2023 quarters have been adjusted to reflect these accounting policy changes.

Non-GAAP and Other Financial Measures

The Bank uses a number of financial measures when assessing its results and measuring overall performance. Some of these financial measures are not calculated in accordance with GAAP. *Regulation 52-112 Respecting Non-GAAP and Other Financial Measures Disclosure* (Regulation 52-112) prescribes disclosure requirements that apply to the following measures used by the Bank:

- non-GAAP financial measures;
- non-GAAP ratios;
- supplementary financial measures;
- capital management measures.

Non-GAAP Financial Measures

The Bank uses non-GAAP financial measures that do not have standardized meanings under GAAP and that therefore may not be comparable to similar measures used by other companies. Presenting non-GAAP financial measures helps readers to better understand how management analyzes results, shows the impacts of specified items on the results of the reported periods, and allows readers to better assess results without the specified items if they consider such items not to be reflective of the underlying performance of the Bank's operations. In addition, the Bank uses the taxable equivalent basis to calculate net interest income, non-interest income, and income taxes. This calculation method consists of grossing up certain revenues taxed at lower rates (notably dividends) by the income tax to a level that would make it comparable to revenues from taxable sources in Canada. An equivalent amount is added to income taxes. This adjustment is necessary in order to perform a uniform comparison of the return on different assets, regardless of their tax treatment. However, in light of the proposed legislation with respect to Canadian dividends, the Bank did not either recognize an income tax deduction or use the taxable equivalent basis method to adjust revenues related to affected dividends received after January 1, 2024 (for additional information see the Income Taxes – Proposed Legislation section in the Report to shareholders for the second quarter of 2024, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca).

The key non-GAAP financial measures used by the Bank to analyze its results are described below, and a quantitative reconciliation of these measures is presented in the tables in the Reconciliation of Non-GAAP Financial Measures section on pages 4 to 6. Note that no specified items have been excluded from results for the quarter and six-month period ended April 30, 2024. In the first six-month period of 2023, a \$24 million tax expense related to the Canadian government's 2022 tax measures had been excluded from results given the one-time nature of the item. This amount had included a \$32 million tax expense with respect to the Canada Recovery Dividend, i.e., a one-time, 15% tax on the fiscal 2021 and 2020 average taxable income above \$1 billion as well as an \$8 million tax recovery related to the 1.5% increase in the statutory tax rate, which included the impact related to current and deferred taxes for fiscal 2022.

For additional information on non-GAAP financial measures, non-GAAP ratios, supplementary financial measures, and capital management measures, see the Financial Reporting Method section and the Glossary section, on pages 4 to 10 and 47 to 50, respectively, in the Report to shareholders for the second quarter of 2024, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.

Reconciliation of Non-GAAP Financial Measures

Presentation of Results – Adjusted

(millions of Canadian dollars)

Quarter ended April 30

						2024	2023 ⁽¹⁾
	Personal and Commercial	Wealth Management	Financial Markets	USSF&I	Other	Total	Total
Operating results							
Net interest income	870	203	(659)	318	(97)	635	882
Non-interest income	261	480	1,425	32	(83)	2,115	1,564
Total revenues	1,131	683	766	350	(180)	2,750	2,446
Non-interest expenses	612	400	312	108	40	1,472	1,362
Income before provisions for credit losses and income taxes	519	283	454	242	(220)	1,278	1,084
Provisions for credit losses	89	–	11	37	1	138	85
Income before income taxes (recovery)	430	283	443	205	(221)	1,140	999
Income taxes (recovery)	119	78	121	42	(126)	234	167
Net income	311	205	322	163	(95)	906	832
Non-controlling interests	–	–	–	–	(1)	(1)	(1)
Net income attributable to the Bank's shareholders and holders of other equity instruments	311	205	322	163	(94)	907	833
Dividends on preferred shares and distributions on limited recourse capital notes						37	35
Net income attributable to common shareholders						870	798
Items that have an impact on results							
Net interest income							
Taxable equivalent ⁽²⁾	–	–	–	–	14	14	76
Impact on net interest income	–	–	–	–	14	14	76
Non-interest income							
Taxable equivalent ⁽²⁾	–	–	–	–	73	73	56
Impact on non-interest income	–	–	–	–	73	73	56
Income taxes							
Taxable equivalent ⁽²⁾	–	–	–	–	87	87	132
Impact on income taxes	–	–	–	–	87	87	132
Impact on net income	–	–	–	–	–	–	–
Operating results – Adjusted							
Net interest income – Adjusted	870	203	(659)	318	(83)	649	958
Non-interest income – Adjusted	261	480	1,425	32	(10)	2,188	1,620
Total revenues – Adjusted	1,131	683	766	350	(93)	2,837	2,578
Non-interest expenses – Adjusted	612	400	312	108	40	1,472	1,362
Income before provisions for credit losses and income taxes – Adjusted	519	283	454	242	(133)	1,365	1,216
Provisions for credit losses	89	–	11	37	1	138	85
Income before income taxes (recovery) – Adjusted	430	283	443	205	(134)	1,227	1,131
Income taxes (recovery) – Adjusted	119	78	121	42	(39)	321	299
Net income – Adjusted	311	205	322	163	(95)	906	832
Non-controlling interests	–	–	–	–	(1)	(1)	(1)
Net income attributable to the Bank's shareholders and holders of other equity instruments – Adjusted	311	205	322	163	(94)	907	833
Dividends on preferred shares and distributions on limited recourse capital notes						37	35
Net income attributable to common shareholders – Adjusted						870	798

- (1) Certain amounts have been adjusted to reflect accounting policy changes arising from the adoption of IFRS 17. For additional information, see Note 2 to the unaudited interim condensed consolidated financial statements in the *Report to Shareholders – Second Quarter 2024*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.
- (2) In light of the proposed legislation with respect to Canadian dividends, the Bank did not recognize an income tax deduction or use the taxable equivalent basis method to adjust revenues related to affected dividends received after January 1, 2024 (for additional information see the Income Taxes – Proposed Legislation section in the *Report to Shareholders – Second Quarter 2024*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca).

(millions of Canadian dollars)

Six months ended April 30

						2024	2023 ⁽¹⁾
	Personal and Commercial	Wealth Management	Financial Markets	USSF&I	Other	Total	Total
Operating results							
Net interest income	1,740	401	(1,177)	619	(197)	1,386	1,981
Non-interest income	545	942	2,698	57	(168)	4,074	3,027
Total revenues	2,285	1,343	1,521	676	(365)	5,460	5,008
Non-interest expenses	1,227	790	625	208	71	2,921	2,752
Income before provisions for credit losses and income taxes	1,058	553	896	468	(436)	2,539	2,256
Provisions for credit losses	160	–	28	73	(3)	258	171
Income before income taxes (recovery)	898	553	868	395	(433)	2,281	2,085
Income taxes (recovery)	248	152	238	82	(267)	453	377
Net income	650	401	630	313	(166)	1,828	1,708
Non-controlling interests	–	–	–	–	(1)	(1)	(1)
Net income attributable to the Bank's shareholders and holders of other equity instruments	650	401	630	313	(165)	1,829	1,709
Dividends on preferred shares and distributions on limited recourse capital notes						74	70
Net income attributable to common shareholders						1,755	1,639
Items that have an impact on results							
Net interest income							
Taxable equivalent ⁽²⁾	–	–	–	–	51	51	154
Impact on net interest income	–	–	–	–	51	51	154
Non-interest income							
Taxable equivalent ⁽²⁾	–	–	–	–	146	146	108
Impact on non-interest income	–	–	–	–	146	146	108
Income taxes							
Taxable equivalent ⁽²⁾	–	–	–	–	197	197	262
Income taxes related to the Canadian government's 2022 tax measures ⁽³⁾	–	–	–	–	–	–	(24)
Impact on income taxes	–	–	–	–	197	197	238
Impact on net income	–	–	–	–	–	–	(24)
Operating results – Adjusted							
Net interest income – Adjusted	1,740	401	(1,177)	619	(146)	1,437	2,135
Non-interest income – Adjusted	545	942	2,698	57	(22)	4,220	3,135
Total revenues – Adjusted	2,285	1,343	1,521	676	(168)	5,657	5,270
Non-interest expenses – Adjusted	1,227	790	625	208	71	2,921	2,752
Income before provisions for credit losses and income taxes – Adjusted	1,058	553	896	468	(239)	2,736	2,518
Provisions for credit losses	160	–	28	73	(3)	258	171
Income before income taxes (recovery) – Adjusted	898	553	868	395	(236)	2,478	2,347
Income taxes (recovery) – Adjusted	248	152	238	82	(70)	650	615
Net income – Adjusted	650	401	630	313	(166)	1,828	1,732
Non-controlling interests	–	–	–	–	(1)	(1)	(1)
Net income attributable to the Bank's shareholders and holders of other equity instruments – Adjusted	650	401	630	313	(165)	1,829	1,733
Dividends on preferred shares and distributions on limited recourse capital notes						74	70
Net income attributable to common shareholders – Adjusted						1,755	1,663

- (1) Certain amounts have been adjusted to reflect accounting policy changes arising from the adoption of IFRS 17. For additional information, see Note 2 to the unaudited interim condensed consolidated financial statements in the *Report to Shareholders – Second Quarter 2024*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.
- (2) In light of the proposed legislation with respect to Canadian dividends, the Bank did not recognize an income tax deduction or use the taxable equivalent basis method to adjust revenues related to affected dividends received after January 1, 2024 (for additional information, see the Income Taxes – Proposed Legislation section in the *Report to Shareholders – Second Quarter 2024*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca).
- (3) During the six-month period ended April 30, 2023, the Bank recorded, in the *Other* heading of segment results, a \$32 million tax expense with respect to the Canada Recovery Dividend, i.e., a one-time, 15% tax on the fiscal 2021 and 2020 average taxable income above \$1 billion as well as an \$8 million tax recovery related to the 1.5% increase in the statutory tax rate, which included the impact related to current and deferred taxes for fiscal 2022. For additional information on these tax measures, see the Income Taxes section in the *Report to Shareholders – Second Quarter 2024*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.

Presentation of Basic and Diluted Earnings Per Share – Adjusted

(Canadian dollars)

	Quarter ended April 30		Six months ended April 30	
	2024	2023 ⁽¹⁾	2024	2023 ⁽¹⁾
Basic earnings per share	\$ 2.56	\$ 2.37	\$ 5.18	\$ 4.86
Income taxes related to the Canadian government's 2022 tax measures ⁽²⁾	–	–	–	0.07
Basic earnings per share – Adjusted	\$ 2.56	\$ 2.37	\$ 5.18	\$ 4.93
Diluted earnings per share	\$ 2.54	\$ 2.34	\$ 5.13	\$ 4.81
Income taxes related to the Canadian government's 2022 tax measures ⁽²⁾	–	–	–	0.07
Diluted earnings per share – Adjusted	\$ 2.54	\$ 2.34	\$ 5.13	\$ 4.88

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- (2) During the six-month period ended April 30, 2023, the Bank recorded, in the *Other* heading segment results, a \$32 million tax expense with respect to the Canada Recovery Dividend, i.e., a one-time, 15% tax on the fiscal 2021 and 2020 average taxable income above \$1 billion as well as an \$8 million tax recovery related to the 1.5% increase in the statutory tax rate, which included the impact related to current and deferred taxes for fiscal 2022. For additional information on these tax measures, see the Income Taxes section in the *Report to Shareholders – Second Quarter 2024*, which is available on the Bank's website at nbc.ca or the SEDAR+ website at sedarplus.ca.

Highlights

	Quarter ended April 30			Six months ended April 30		
	2024	2023 ⁽¹⁾	% Change	2024	2023 ⁽¹⁾	% Change
Operating results						
Total revenues	2,750	2,446	12	5,460	5,008	9
Income before provisions for credit losses and income taxes	1,278	1,084	18	2,539	2,256	13
Net income	906	832	9	1,828	1,708	7
Return on common shareholders' equity ⁽²⁾	16.9 %	17.2 %		17.0 %	17.5 %	
Operating leverage ⁽²⁾	4.3 %	(4.5) %		2.9 %	(4.6) %	
Efficiency ratio ⁽²⁾	53.5 %	55.7 %		53.5 %	55.0 %	
Earnings per share						
Basic	\$ 2.56	\$ 2.37	8	\$ 5.18	\$ 4.86	7
Diluted	\$ 2.54	\$ 2.34	9	\$ 5.13	\$ 4.81	7
Operating results – Adjusted⁽³⁾						
Total revenues – Adjusted ⁽³⁾	2,837	2,578	10	5,657	5,270	7
Income before provisions for credit losses and income taxes – Adjusted ⁽³⁾	1,365	1,216	12	2,736	2,518	9
Net income – Adjusted ⁽³⁾	906	832	9	1,828	1,732	6
Return on common shareholders' equity – Adjusted ⁽⁴⁾	16.9 %	17.2 %		17.0 %	17.8 %	
Operating leverage – Adjusted ⁽⁴⁾	1.9 %	(1.3) %		1.2 %	(1.7) %	
Efficiency ratio – Adjusted ⁽⁴⁾	51.9 %	52.8 %		51.6 %	52.2 %	
Diluted earnings per share – Adjusted ⁽³⁾	\$ 2.54	\$ 2.34	9	\$ 5.13	\$ 4.88	5
Common share information						
Dividends declared	\$ 1.06	\$ 0.97	9	\$ 2.12	\$ 1.94	9
Book value ⁽²⁾	\$ 62.28	\$ 57.45		\$ 62.28	\$ 57.45	
Share price						
High	\$ 114.68	\$ 103.45		\$ 114.68	\$ 103.45	
Low	\$ 101.24	\$ 92.67		\$ 86.50	\$ 91.02	
Close	\$ 110.54	\$ 101.03		\$ 110.54	\$ 101.03	
Number of common shares (<i>thousands</i>)	340,056	337,720		340,056	337,720	
Market capitalization	37,590	34,120		37,590	34,120	

	As at		% Change
	April 30, 2024	October 31, 2023 ⁽¹⁾	
(millions of Canadian dollars)			
Balance sheet and off-balance-sheet			
Total assets	441,690	423,477	4
Loans and acceptances, net of allowances	234,770	225,443	4
Deposits	306,881	288,173	6
Equity attributable to common shareholders	21,179	20,432	4
Assets under administration ⁽²⁾	691,554	652,631	6
Assets under management ⁽²⁾	138,848	120,858	15
Regulatory ratios under Basel III⁽⁵⁾			
Capital ratios			
Common Equity Tier 1 (CET1)	13.2 %	13.5 %	
Tier 1	15.5 %	16.0 %	
Total	16.7 %	16.8 %	
Leverage ratio			
TLAC ratio ⁽⁵⁾	30.2 %	29.2 %	
TLAC leverage ratio ⁽⁵⁾	8.5 %	8.0 %	
Liquidity coverage ratio (LCR) ⁽⁵⁾	155 %	155 %	
Net stable funding ratio (NSFR) ⁽⁵⁾	120 %	118 %	
Other information			
Number of employees – Worldwide (full-time equivalent)	28,665	28,916	(1)
Number of branches in Canada	369	368	–
Number of banking machines in Canada	939	944	(1)

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Caution Regarding Forward-Looking Statements

Certain statements in this document are forward-looking statements. All such statements are made in accordance with applicable securities legislation in Canada and the United States. The forward-looking statements in this document may include, but are not limited to, statements made about the economy, market changes, the Bank's objectives, outlook, and priorities for fiscal year 2024 and beyond, the strategies or actions that will be taken to achieve them, expectations for the Bank's financial condition, its activities, the regulatory environment in which it operates, its environmental, social, and governance targets and commitments, and certain risks to which the Bank is exposed. These forward-looking statements are typically identified by verbs or words such as "outlook", "believe", "foresee", "forecast", "anticipate", "estimate", "project", "expect", "intend" and "plan", in their future or conditional forms, notably verbs such as "will", "may", "should", "could" or "would" as well as similar terms and expressions.

Such forward-looking statements are made for the purpose of assisting the holders of the Bank's securities in understanding the Bank's financial position and results of operations as at and for the periods ended on the dates presented, as well as the Bank's vision, strategic objectives, and performance targets, and may not be appropriate for other purposes. These forward-looking statements are based on current expectations, estimates, assumptions and intentions and are subject to uncertainty and inherent risks, many of which are beyond the Bank's control. There is a strong possibility that the Bank's express or implied predictions, forecasts, projections, expectations, or conclusions will not prove to be accurate, that its assumptions may not be confirmed, and that its vision, strategic objectives, and performance targets will not be achieved. The Bank cautions investors that these forward-looking statements are not guarantees of future performance and that actual events or results may differ significantly from these statements due to a number of factors. Thus, the Bank recommends that readers not place undue reliance on these forward-looking statements, as a number of factors could cause actual results to differ significantly from the expectations, estimates, or intentions expressed in these forward-looking statements. Investors and others who rely on the Bank's forward-looking statements should carefully consider the factors listed below 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.

Assumptions about the performance of the Canadian and U.S. economies in 2024 and how that performance will affect the Bank's business are among the factors considered in setting the Bank's strategic priorities and objectives, including allowances for credit losses. These assumptions appear in the Economic Review and Outlook section and, for each business segment, in the Economic and Market Review sections of the *2023 Annual Report* and in the Economic Review and Outlook section of the *Report to Shareholders* for the second quarter of 2024, and may be updated in the quarterly reports to shareholders filed thereafter.

The forward-looking statements made in this document are based on a number of assumptions and are subject to risk factors, many of which are beyond the Bank's control and the impacts of which are difficult to predict. These risk factors include, among others, the general economic environment and financial market conditions in Canada, the United States, and the other countries where the Bank operates; the impact of upheavals in the U.S. banking industry; exchange rate and interest rate fluctuations; inflation; global supply chain disruptions; higher funding costs and greater market volatility; changes made to fiscal, monetary, and other public policies; changes made to regulations that affect the Bank's business; geopolitical and sociopolitical uncertainty; climate change, including physical risks and those related to the transition to a low-carbon economy, and the Bank's ability to satisfy stakeholder expectations on environmental and social issues; significant changes in consumer behaviour; the housing situation, real estate market, and household indebtedness in Canada; the Bank's ability to achieve its key short-term priorities and long-term strategies; the timely development and launch of new products and services; the Bank's ability to recruit and retain key personnel; technological innovation, including advances in artificial intelligence and the open banking system, and heightened competition from established companies and from competitors offering non-traditional services; changes in the performance and creditworthiness of the Bank's clients and counterparties; the Bank's exposure to significant regulatory matters or litigation; changes made to the accounting policies used by the Bank to report financial information, including the uncertainty inherent to assumptions and critical accounting estimates; changes to tax legislation in the countries where the Bank operates; changes made to capital and liquidity guidelines as well as to the presentation and interpretation thereof; changes to the credit ratings assigned to the Bank by financial and extra-financial rating agencies; potential disruptions to key suppliers of goods and services to the Bank; the potential impacts of disruptions to the Bank's information technology systems, including cyberattacks as well as identity theft and theft of personal information; the risk of fraudulent activity; and possible impacts of major events affecting the economy, market conditions, or the Bank's outlook, including international conflicts, natural disasters, public health crises, and the measures taken in response to these events.

The foregoing list of risk factors is not exhaustive, and the forward-looking statements made in this document are also subject to credit risk, market risk, liquidity and funding risk, operational risk, regulatory compliance risk, reputation risk, strategic risk, and social and environmental risk as well as certain emerging risks or risks deemed significant. Additional information about these factors is provided in the Risk Management section of the *2023 Annual Report* and in the Risk Management section of the *Report to Shareholders for the second quarter of 2024*, and may be updated in the quarterly reports to shareholders filed thereafter.

Disclosure of the Second Quarter 2024 Results

Conference Call

- A conference call for analysts and institutional investors will be held on Wednesday, May 29, 2024 at 1:00 p.m. EDT.
- Access by telephone in listen-only mode: 1-800-806-5484 or 416-340-2217. The access code is 8438144#.
- A recording of the conference call can be heard until August 23, 2024 by dialing 1-800-408-3053 or 905-694-9451. The access code is 8808810#.

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 *Report to Shareholders* (which includes the quarterly consolidated financial statements) is available at all times on National Bank's website at nbc.ca/investorrelations.
- The *Report to Shareholders*, the *Supplementary Financial Information*, the *Supplementary Regulatory Capital and Pillar 3 Disclosure*, and a slide presentation will be available on the Investor Relations page of National Bank's website on the morning of the day of the conference call.

For more information

- Marianne Ratté, Vice-President and Head – Investor Relations, 1-866-517-5455
- Debby Cordeiro, Senior Vice-President – Communications, Public Affairs and ESG, 514-412-0538

