

# Our SASB Disclosure

Code	Accounting Metric	2019 Disclosure
<b>Financial Sector – Commercial Bank</b>		
CB-230a.2	Description of approach to identifying and addressing data security risk	The Bank discloses how it manages information security risks on page 50 of this report. Please also consult the <a href="#">2019 Annual Report</a> .
CB-240a.1	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	National Bank is a key lender for small businesses. 54% of its Canadian business clients received loans under \$25,000 in 2019. The Bank also supports community development by financing over 800 clients that offer social programs in housing and early childhood development—an amount close to \$1 billion.
CB-240a.2	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	In total, we have less than 200 delinquent loans, representing an amount of nearly \$1.8 million.
CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	National Bank has 76,900 no-fee personal chequing accounts.
CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked or underserved customers	National Bank participates in a number of financial literacy initiatives as part of its activities, from discussing financial health and best practices with clients in branches to holding events to promote financial literacy. Although we don't track the number of participants who are unbanked, underbanked or underserved, we discuss the impact of our initiatives on <a href="#">page 24</a> .
CB-410a.1	Commercial and industrial credit exposure, by industry	National Bank discloses its exposure to credit risk by industry on page 19 of the Supplementary Financial Information document from Q4, which is available at <a href="http://nbc.ca">nbc.ca</a> .
CB-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	To comply with our commitments to the TCFD, we're improving our processes. We will be integrating ESG factors into our credit analyses in accordance with our roadmap. These factors are currently integrated as part of our due diligence process.
CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	National Bank does not disclose this information. However, National Bank does not believe that any proceedings it is involved in could have a material negative impact on its consolidated financial situation.
CB-510a.2	Description of whistleblower policies and procedures	Refer to <a href="#">page 37</a> of this report.
CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	Although National Bank is a domestic systemically important bank (D-SIB), it is not a G-SIB. We therefore have no G-SIB scores.

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CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	The crisis simulation program supports management's decision-making process by identifying potential vulnerabilities for the Bank as a whole, which are reflected in the limits established and in longer-term business planning. Scenarios and results are ultimately approved by the Board. The Bank also performs stress tests and liquidity risk crisis simulations. For more information, refer to pages 59 and 83 of the <a href="#">2019 Annual Report</a> .
CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	National Bank had an average deposit volume of \$64,488 million for its Personal and Commercial Banking sector in Q4 2019. For more information, see the presentation given to analysts and investors in Q4 2019 at <a href="#">nbc.ca</a> .
CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	In Q4 2019, National Bank had an average volume of \$77,015 million in personal loans and bankers' acceptances and \$37,466 million in business loans and bankers' acceptances. For more information, see the presentation given to analysts and investors in Q4 2019 at <a href="#">nbc.ca</a> .

### Financial Sector – Consumer Finance

CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	National Bank does not disclose this information. However, National Bank does not believe that any proceedings it is involved in could have a material negative impact on its consolidated financial situation.
CF-230a.3	Description of approach to identifying and addressing data security risks	Refer to the answer for standard <a href="#">CB 230a.2</a> .
CF-270a.2	Approval rate for (1) credit and (2) pre-paid products for applicants with FICO scores above and below 660	Although National Bank does not disclose this data, the average value, Loan-to-Value (LTV) ratio and FICO score for its portfolio of Canadian mortgage loans and home equity lines of credit can be found in the presentation given to analysts and investors in Q4 2019, available at <a href="#">nbc.ca</a> . Additional information on the credit quality of our loan portfolio can be found on pages 69 and 153 of the <a href="#">2019 Annual Report</a> .
CF-270a.5	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	National Bank does not disclose this information. However, National Bank does not believe that any proceedings it is involved in could have a material negative impact on its consolidated financial situation.

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### Financial Sector – Mortgage Finance

MF-270a.3	Total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of loan originators	National Bank does not disclose this information. However, National Bank does not believe that any proceedings it is involved in could have a material negative impact on its consolidated financial situation.
MF-270b.1	(1) Number, (2) value, and (3) weighted average Loan-to-Value (LTV) ratio of mortgages issued to (a) minority and (b) all other borrowers, by FICO scores above and below 660	Although National Bank does not disclose this data, the average value, LTV ratio and FICO score for its portfolio of Canadian mortgage loans and home equity lines of credit can be found in the presentation given to analysts and investors in Q4 2019, available at <a href="http://nbc.ca">nbc.ca</a> . Also see page 21 of the Supplementary Financial Information document from Q4 2019 for more information on our portfolio of residential mortgage loans.
MF-270b.3	Description of policies and procedures for ensuring non-discriminatory mortgage origination	National Bank complies with all anti-discrimination laws and regulations. In addition, the Bank's <u>Code of Conduct and Ethics</u> applies to everyone at the Bank (employees, directors and officers). The Code of Conduct and Ethics establishes a zero-tolerance policy for any type of discrimination.
MF-000.A	(1) Number and (2) value of mortgages originated by category: (a) residential and (b) commercial	National Bank discloses the value of its residential mortgages and the value of loans by category in the presentation given to analysts and investors in Q4 2019, available at <a href="http://nbc.ca">nbc.ca</a> .

### Financial Sector – Investment Banking & Brokerage

IB-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	National Bank discloses a number of diversity indicators on <a href="#">page 9</a> of this report.
IB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	Refer to the answer for standard <a href="#">CB 510a.1</a> .
IB-510a.2	Description of whistleblower policies and procedures	Refer to the answer for standard <a href="#">CB 510a.2</a> .
IB-510b.3	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	National Bank does not disclose this information. However, National Bank does not believe that any proceedings it is involved in could have a material negative impact on its consolidated financial situation.
IB-510b.4	Description of approach to ensuring professional integrity, including duty of care	Every year, all employees, directors and officers of the Bank sign the <u>Code of Conduct and Ethics</u> , which requires them to demonstrate honesty, trust, integrity and loyalty in all of their actions.
IB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	Refer to the answer for standard <a href="#">CB 550a.1</a> .

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IB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Refer to the answer for standard <a href="#">CB 550a.2</a> .
IB-000.A	(1) Number and (2) value of (a) underwriting, (b) advisory, and (c) securitization transactions	National Bank acted as agent for 126 transactions with a total value of \$58.45 billion and as underwriter for 66 transactions with a total value of \$56.83 billion and one unclassified transaction, for a total of 193 transactions with a value of \$115.28 billion.

### Financial Sector – Asset Management & Custody Activities

AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning customers	National Bank does not disclose this information. However, National Bank does not believe that any proceedings it is involved in could have a material negative impact on its consolidated financial situation.
AC-270 a.3	Description of approach to informing customers about products and services	<p>Employees of National Bank are bound by the <a href="#">Code of Conduct and Ethics</a>, which sets out a number of basic principles to protect clients, including, “We must inform them in a transparent manner about the rates, fees, and conditions of every transaction for every product they acquire.”</p> <p>National Bank also complies with the regulations set out by the Financial Consumer Agency of Canada, provincial consumer protection agencies, IIROC, the Mutual Fund Dealers Association of Canada, the TSX and provincial regulatory authorities, including securities regulatory authorities.</p> <p>The Human Resources Committee reviewed the Bank’s compensation practices in 2017, and continues to do so periodically.</p>
AC-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	Refer to the answer for standard <a href="#">IB 330a.1</a> .
AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	<p>Thanks to our OP4+ process, 97.25% of National Bank Investments’ assets under management as at October 31, 2019 are handled by signatories of the United Nations Principles for Responsible Investment, up from 86.6% in February 2019. Because of the open architecture model used by National Bank Investments, fund managers each have their own approach to integrating ESG factors, which they discuss with NBI.</p> <p>Furthermore, 96.2% of NBI’s assets under management are managed by Canadian fund managers who belong to the Responsible Investment Association.</p> <p>For more information, see the NBI section of this report on <a href="#">pages 32 and 33</a>.</p>

Code	Accounting Metric	2019 Disclosure
AC-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	National Bank discloses how it integrates ESG factors in its OP4+ process. For more information, see the NBI section of this report on <a href="#">pages 32 and 33</a> .
AC-410a.3	Description of proxy voting and investee engagement policies and procedures	Our proxy voting and investee engagement policies and procedures are available at <a href="http://nbinvestments.ca">nbinvestments.ca</a>
AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	Refer to the answer for standard <a href="#">CB 510a.1</a> .
AC-510a.2	Description of whistleblower policies and procedures	Refer to the answer for standard <a href="#">CB 510a.2</a> .
AC-550a.2	Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management	<p>The investment funds and services offered by National Bank Investments (NBI) are governed by a liquidity risk management policy (internal publication). This policy is intended to establish liquidity requirements for investment funds and services offered by NBI, as well as a framework for their application.</p> <p>To manage risk, NBI monitors the following three components:</p> <ul style="list-style-type: none"> <li>&gt; Liquidity risk associated with product design (redemption conditions tailored to investment strategy)</li> <li>&gt; Liquidity risk associated with the market for the products (liquidity dashboard, liquidity groups, third-party supplier data, various metrics, etc.)</li> <li>&gt; Liquidity risk associated with holding the products (historic rates for redemption requests, asset concentration, etc.)</li> </ul> <p>The policy complements <i>Regulation 81-102 respecting Investment Funds</i> for the products governed by it and establishes the requirements for other products.</p> <p>As authorized by the Canadian Securities Administrators, NBI can suspend the right to redeem securities for products governed by the prospectus under certain conditions (see prospectus under <i>Right to Refuse the Redemption of Fund Securities</i>).</p>
AC-550a.3	Total exposure to securities financing transactions	National Bank disclosed its total exposure to securities financing transactions in the Supplementary Financial Information document from Q4 2019, which is available at <a href="http://nbc.ca">nbc.ca</a> . Total exposure as at Q4 2019 was \$20,887 million.
AC-000.A	1) Total registered and (2) total unregistered assets under management (AUM)	In Q4 2019, National Bank had \$565.4 billion in assets under management and administration. For a breakdown of this data, please refer to the Supplementary Financial Information document from Q4 2019, which is available at <a href="http://nbc.ca">nbc.ca</a> .