INVESTOR PRESENTATION

NATIONAL BANK OF CANADA

Second Quarter 2021

May 28, 2021

FORWARD-LOOKING STATEMENTS AND NON-GAAP FINANCIAL MEASURES

Caution Regarding Forward-Looking Statements

From time to time, the Bank makes written forward-looking statements such as those contained in this document, in other filings with Canadian securities regulators, and in other communications. In addition, representatives of the Bank may make forward-looking statements orally to analysts, investors, the media and others. All such statements are made in accordance with applicable securities legislation in Canada and the United States. Forward-looking statements in this document may include, but are not limited to, statements with respect to the economy—particularly the Canadian and U.S. economies—market changes, the Bank's objectives, outlook and priorities for fiscal year 2021 and beyond, the strategies or actions that will be taken to achieve them, expectations for the Bank's financial condition, the regulatory environment in which it operates, the potential impacts of—and the Bank's response to—the COVID-19 pandemic, and certain risks it faces. 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 its financial performance targets, and may not be appropriate for other purposes.

By their very nature, these 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 2021, including in the context of the COVID-19 pandemic, and how that will affect the Bank's business are among the main factors considered in setting the Bank's strategic priorities and objectives, including allowances for credit losses. In determining its expectations for economic conditions, both broadly and in the financial services sector in particular, the Bank primarily considers historical economic data provided by the governments of Canada, the United States and certain other countries in which the Bank conducts business, as well as their agencies.

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 financial performance targets will not be achieved. The Bank recommends that readers not place undue reliance on forward-looking statements, as a number of factors, many of which are beyond the Bank's control, including the impacts of the COVID-19 pandemic, could cause actual results to differ significantly from the expectations, estimates or intentions expressed in these 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 and social risk, all of which are described in more detail in the Risk Management section beginning on page 68 of the Bank's 2020 Annual Report, and more specifically, general economic environment and financial market conditions in Canada, the United States and certain other countries in which the Bank conducts business; regulatory changes affecting the Bank's business; geopolitical and sociopolitical uncertainty; important changes in consumer behaviour; the housing and household indebtedness situation and real estate market in Canada; changes in the Bank's customers' and counterparties' performance and creditworthiness; 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; changes to capital and liquidity guidelines as well as the manner in which they are to be presented and interpreted; changes to the credit ratings assigned to the Bank; potential disruption to key suppliers of goods and services to the Bank; potential disruptions to the Bank's information technology systems, including evolving cyberattack risk as well as identity theft and theft of personal information; and possible impacts of catastrophic events affecting local and global economies, including natural disasters and public health emergencies such as the COVID-19 pandemic. Statements about the expected impacts of the COVID-19 pandemic on the Bank and its results of operations, reputation, financial position and liquidity, as well as on the global economy may be inaccurate and differ, possibly materially, from what is currently expected as they depend on future developments that are highly uncertain and cannot be predicted. The foregoing list of risk factors is not exhaustive. Additional information about these factors can be found in the COVID-19 Pandemic and Risk Management sections of the Bank's 2020 Annual Report and in this Report to Shareholders for the Second Quarter of 2021, notably in the COVID-19 Pandemic section. 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 risks 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.

Non-GAAP Financial Measures

The quantitative information in this document has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), unless otherwise indicated, and should be read in conjunction with the Bank's 2020 Annual Report and the Bank's Report to Shareholders for the Second Quarter of 2021.

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, which are based on IFRS. 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 assess results without the specified items if they consider such items not to be reflective of the underlying performance of the Bank's operations. The Bank cautions readers that it uses non-GAAP financial measures that do not have standardized meanings under GAAP and therefore may not be comparable to similar measures used by other financial institutions.

For additional information on non-GAAP financial measures, please refer to the Financial Reporting Method starting on page 6 of the Bank's Report to Shareholders for the Second Quarter of 2021 and on page 22 of the Bank's 2020 Annual Report, which are available at nbc.ca/investorrelations.

Note: National Bank fiscal year ends October 31.

OVERVIEW

Louis Vachon

President & Chief Executive Officer

Q2 2021 – CONTINUED MOMENTUM ACROSS THE BANK

Revenues[(1)]
$2,282 MM
+8% YoY

PTPP[(2)]
$1,083 MM
+9% YoY

Total PCL
$5 MM

EPS
$2.25

CET1
12.2%

ROE[(3)]
22.0%

- Strong business performance
  - Revenues up 8% YoY[(1)]
  - PTPP up 9% YoY[(2)]
  - Positive operating leverage
- Low PCL on strong portfolio performance and improving economic environment
  - Maintaining prudent reserves (1.7x pre-pandemic levels)
- CET1 exceeding 12% while generating strong organic loan growth
- Industry-leading ROE[(3)]

(1) Total revenues presented on a taxable equivalent basis (TEB). This is a non-GAAP measure. See slide 2.
(2) Pre-Tax Pre-Provision earnings (PTPP) is the difference between total revenues (TEB) and non-interest expenses. This is a non-GAAP measure. See slide 2.
(3) Return on Equity (ROE) does not have a standardized meaning under GAAP and may not be comparable to similar measures disclosed by others. See slide 2.

Q2 2021 – SEGMENT HIGHLIGHTS

P&C Banking
Revenues: **+7% YoY**
PTPP(1): **+12% YoY**

- Strong growth on both sides of the balance sheet
- Continued momentum in housing market with mortgages up 9% YoY
- Targeted opportunities in commercial real estate in the residential insured segment

Wealth Management
Revenues: **+14% YoY**
PTPP(1): **+16% YoY**

- Favorable markets, strong net sales and elevated transaction activity
- AUA and AUM up 28% YoY
- Strong satisfaction scores underpinning strong volume growth

Financial Markets
Revenues(2): **(5%) YoY**
PTPP(1): **(10%) YoY**

- Strong performance in FM against record revenues in Q2 2020, highlighting the resilience and diversification of our franchise
- Record quarter for C&IB with revenues up 48% YoY
- Solid performance in Global Markets - normalization of volatility vs. recent quarters

USSF&I
Revenues: **+30% YoY**
PTPP(1): **+58% YoY**

- ABA: Continued growth with revenues up 22% YoY
- Credigy: Solid results reflecting strong portfolio performance
- International segment well positioned to deliver double-digit earnings growth in F2021

(1) Pre-Tax Pre-Provision earnings (PTPP) is the difference between total revenues (TEB) and non-interest expenses. This is a non-GAAP measure. See slide 2.
(2) Revenues presented on a taxable equivalent basis (TEB). This is a non-GAAP measure. See slide 2.

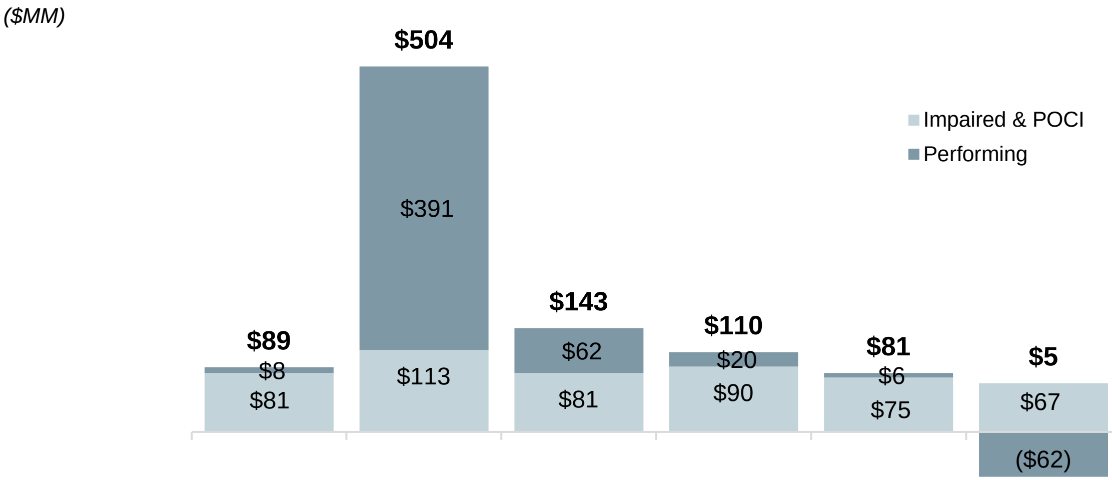
RISK MANAGEMENT

William Bonnell

Executive Vice-President
Risk Management

PROVISIONS FOR CREDIT LOSSES

PCL Q2 2021



($MM)	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21
Personal	45	43	29	30	18	17
Commercial	9	43	20	38	39	8
Wealth Management	0	1	1	2	(2)	2
Financial Market	13	20	27	5	6	33
USSF&I[1]	14	6	4	15	14	7
PCL on impaired	**81**	**113**	**81**	**90**	**75**	**67**
PCL on performing	**8**	**391**	**62**	**20**	**6**	**(62)**
Total PCL ($MM)	**89**	**504**	**143**	**110**	**81**	**5**
Total PCL (bps)	*23*	*128*	*35*	*27*	*19*	*1*
PCL on impaired (bps)[1]	*21*	*29*	*20*	*22*	*17*	*16*

Total PCL

- Meaningfully lower at $5M (1bp), reflecting continued strong portfolio performance and improved economic outlook

PCL on Impaired Loans

- $67M (16bps), lower QoQ
- New provisions at FM related to one account offset by lower impaired PCLs in Commercial and USSF&I while Retail remained at cyclical low

PCL on Performing Loans

- Release of $62M (-15bps) driven by improved economic outlook and portfolio quality
- Retail: -$19M, reflects overall continued strong performance
- Non-retail: -$35M, reflecting scenarios updates and migration
- USSF&I: -$8M, driven by improved economic outlook and portfolio performance at Credigy partly offset by increased provisions at ABA

FY 2021 Target Range

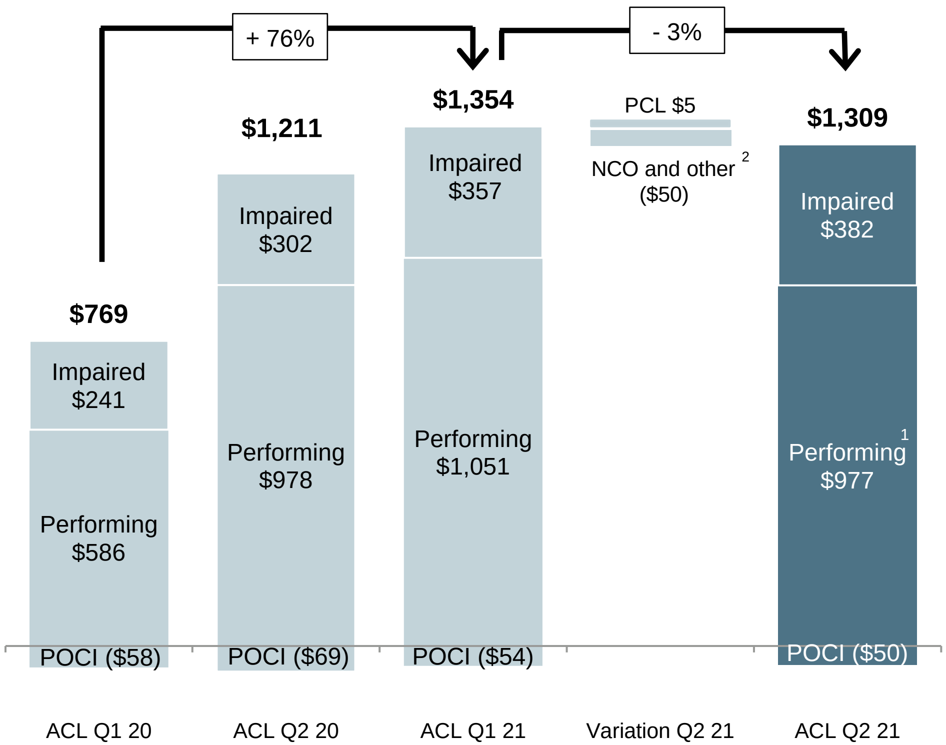
- Impaired PCLs of 15-25bps

(1) Impaired PCL includes Purchased or Originated Credit Impaired (POCI) amounts.

ALLOWANCE FOR CREDIT LOSSES

ACL Q2 21

($MM)



Total Allowances:

- Declined by 3% ($45M) QoQ to $1.3B
- Remain 70% above pre-pandemic level and 7% higher YoY
- Maintaining prudent level of allowances in light of continued uncertainty

Performing Allowances:

- Decline of 7% QoQ to $977M, stable YoY
- Strong coverage of 3.3X impaired PCLs and 6.4X NCOs (LTM)
- Future level of performing allowances will be driven primarily by the path of economic recovery, credit quality and volume growth

Impaired Allowances:

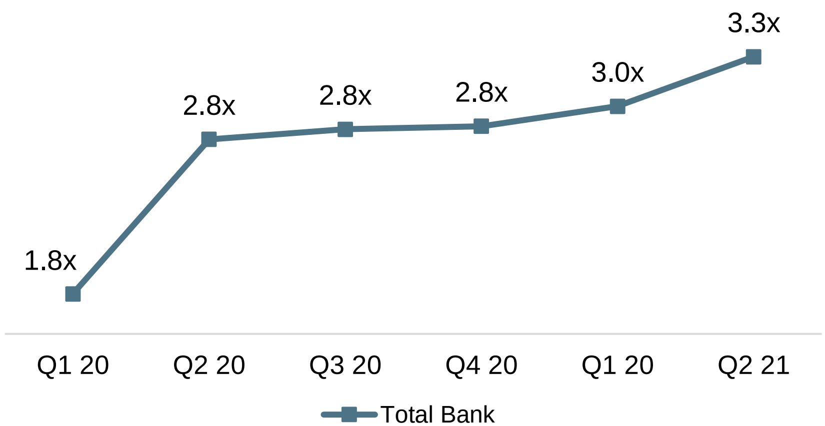
- Increased $25M QoQ to $382M
- Coverage improved to 52% of Gross Impaired Loans (+5% QoQ)

(1) Performing ACL includes allowances on drawn ($782M), undrawn ($173M) and other assets ($22M)
(2) Net Charge Offs and other (FX variation and disposals)

PRUDENT PROVISIONING IN UNCERTAIN ECONOMIC ENVIRONMENT

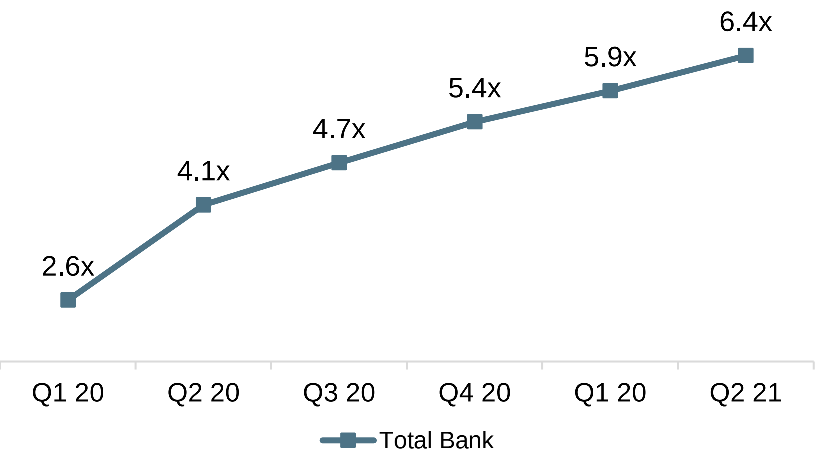
Strong Performing ACL Coverage

Performing ACL / LTM PCL on Impaired Loans



Total Allowances Cover 6.4X NCOs

Total ACL / LTM Net Charge-Offs



Prudent Reserve Build

Total PCL Less Net Charge-Offs ($MM)

	YTD2021	F2020	F2019	F2018
Total Bank Reserve Build	**-$6**	$596	$48	$5

Strong Total ACL Coverage

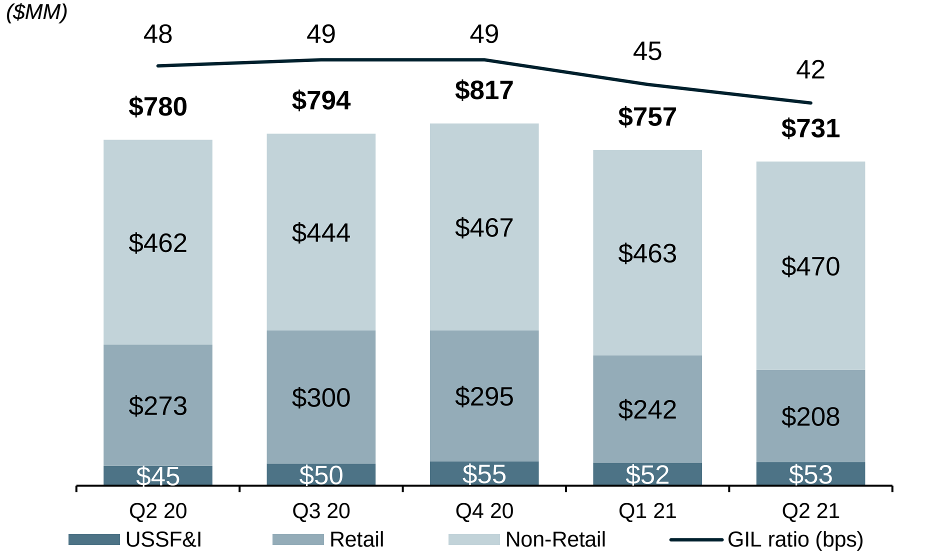
Total ACL / Total Loans (excl. POCI and FVTPL)

	Q2 21	**Q1 21**	**Q2 20**
Mortgages	**0.21%**	0.20%	0.20%
Credit Cards	**9.77%**	11.16%	10.63%
Total Retail	**0.57%**	0.62%	0.67%
Total Non-Retail	**1.21%**	1.24%	0.98%
Total Bank	**0.83%**	0.88%	0.82%

Note: Performing ACL includes allowances on drawn ($782M), undrawn ($173M) and other assets ($22M)

GROSS IMPAIRED LOANS AND FORMATIONS

Gross Impaired Loans[1] (GIL)



- Gross impaired loans of 42bps ($731M), a decline of 3bps QoQ and 6bps YoY
- Continued low net formations
  - Financial Markets had one new formation in the utilities sector
  - Net repayments in Personal & Commercial

Net Formations[2] by Business Segment

($MM)

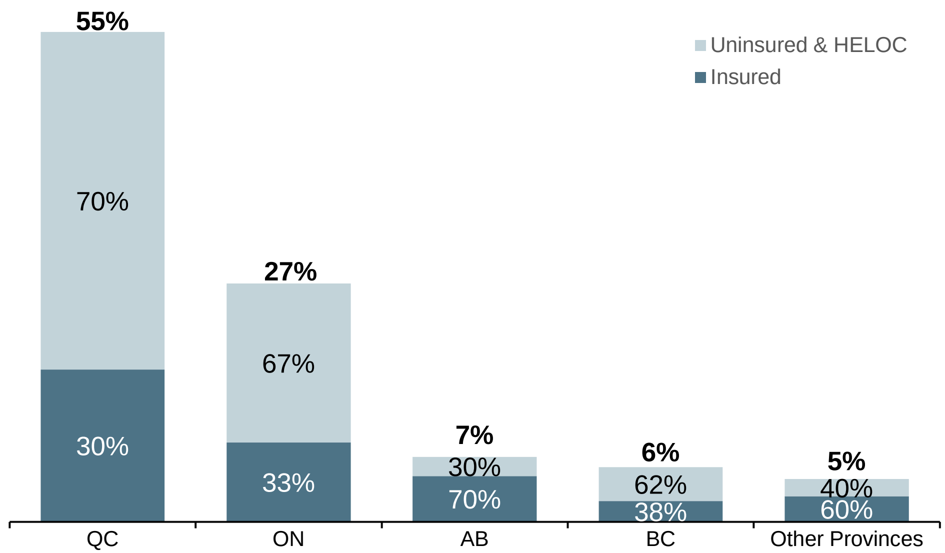
	Q2 21	Q1 21	Q4 20	Q3 20	Q2 20
Personal	**(8)**	(20)	35	56	53
Commercial	**(46)**	27	67	(15)	64
Financial Markets	**63**	(4)	(10)	5	37
Wealth Management	**6**	(1)	(4)	6	1
Credigy	**6**	6	13	11	16
ABA Bank	**1**	(1)	2	6	6
Total GIL Net Formations	**22**	7	103	69	177

(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 April 30, 2021)



QC	ON	AB	BC	Other Provinces
56%	50%	69%	50%	55%

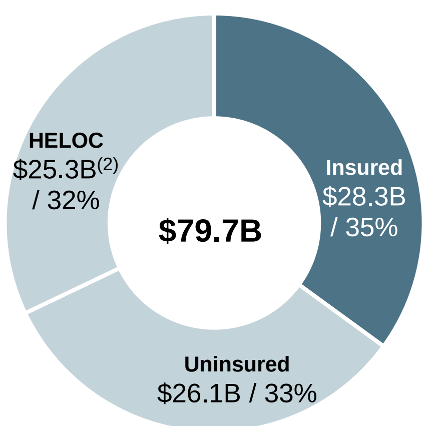
Average LTV - Uninsured and HELOC(1)

Canadian Uninsured and HELOC Portfolio

	HELOC	Uninsured
Average LTV(1)	53%	57%
Average Credit Bureau Score	793	781
90+ Days Past Due (bps)	6	14

- Insured mortgages account for 35% of the total RESL portfolio
- Distribution across product and geography remained stable
- Uninsured mortgages and HELOC in GTA and GVA represent 11% and 2% of the total portfolio and both segment have an average LTV(1) of 50%
- Uninsured mortgages and HELOC for condos represents 7.9% of the total portfolio and have an average LTV(1) of 59%

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.
(2) Of which $16.5B are amortizing HELOC.

FINANCIAL REVIEW

Ghislain Parent

Chief Financial Officer and
Executive Vice-President, Finance

BALANCED APPROACH BETWEEN GROWTH, INVESTMENT AND COST MANAGEMENT

Revenue Growth:

8.0%[(1)]
Q2 2021 YoY

- Strong PTPP growth reflecting our diversified business model and disciplined approach to cost management

Expense Growth:

7.0%
Q2 2021 YoY

- Positive operating leverage of 1.0%

PTPP Growth:

9.3%[(2)]
Q2 2021 YoY

- Expense growth reflecting:
  - Higher compensation from strong performance
  - Brand and technology investments to support growth and efficiency

Efficiency Ratio:

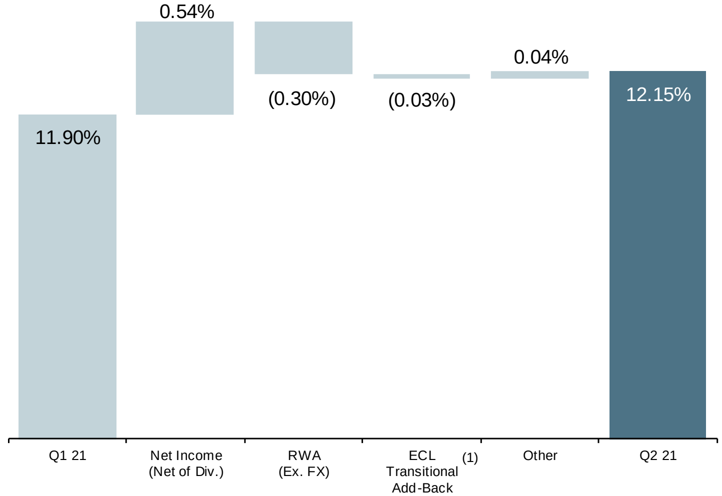
52.5%
Q2 2021

- Targeting mid to high single digit PTPP growth in FY 2021

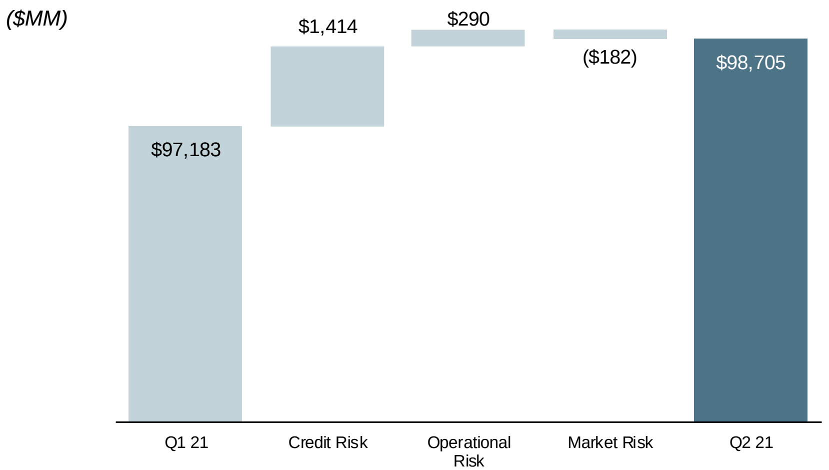
(1) Total revenues presented on a taxable equivalent basis (TEB). This is a non-GAAP measure. See slide 2.
(2) Pre-Tax Pre-Provision earnings (PTPP) is the difference between total revenues (TEB) and non-interest expenses. This is a non-GAAP measure. See slide 2.

STRONG CAPITAL POSITION

CET1 Ratio



Risk-Weighted Assets



- Strong CET1 ratio of 12.2%[(2)]
- Continued strong net income generation
  - Favorable impact from performing loans reserve releases (5 bps)
- RWA growth primarily driven by credit risk on strong growth in commercial and corporate banking
- Positive impact from rating migration representing ~ 4 bps
- Estimated CET1 impact from unwinding regulatory adjustments to the market risk capital requirements of -15 bps in Q3/21

(1) Transitional measure applicable to expected credit loss provisioning.
(2) Ratio takes into account the transitional relief measures granted by OSFI in the context of COVID-19 (12.0% excluding ECL transitional relief measures). For additional details regarding relief measures introduced by the regulatory authorities, see pages 20-21 of the Bank's 2020 Annual Report to Shareholders.

STRONG CAPITAL AND LIQUIDITY POSITIONS

Capital and Capital Ratios

($MM)

	Q2 21	Q1 21	Q4 20
Capital			
CET1	**$11,997**	$11,563	$11,167
Tier 1	**$15,042**	$14,512	$14,112
Total	**$16,153**	$15,589	$15,167
TLAC[(1)]	**$25,576**	$24,602	$22,511
Capital ratios			
CET1	**12.2%**	11.9%	11.8%
Tier 1	**15.2%**	14.9%	14.9%
Total	**16.4%**	16.0%	16.0%
Leverage	**4.4%**	4.3%	4.4%
TLAC[(1)]	**25.9%**	25.3%	23.7%
TLAC[(1)] Leverage	**7.5%**	7.4%	7.0%
Liquidity Coverage Ratio	**150%**	154%	161%
Net Stable Funding Ratio	**125%**	124%	

- Our capital levels remain strong
- Total capital ratio of 16.4%
- Strong liquidity ratios

(1) Total Loss Absorbing Capacity (TLAC). OSFI is requiring D-SIBs to maintain a minimum risk-based TLAC ratio of 22.50% (including the domestic stability buffer) of risk-weighted assets and a minimum TLAC leverage ratio of 6.75% by November 1, 2021.

APPENDICES

APPENDIX 1 | TOTAL BANK – Q2 21 RESULTS

Total Bank Summary Results – Q2 2021

($MM, TEB)

	Q2 21	Q1 21	Q2 20	QoQ	YoY
Revenues	**2,282**	2,281	2,112	-	8%
Non-Interest Expenses	**1,199**	1,180	1,121	2%	7%
Pre-Tax / Pre-Provisions	**1,083**	1,101	991	(2%)	9%
PCL	**5**	81	504		
Net Income	**801**	761	379	5%	111%
Diluted EPS	**$2.25**	$2.15	$1.01	5%	123%
Efficiency Ratio	**52.5%**	51.7%	53.1%	+80 bps	-60 bps
Return on Equity	**22.0%**	21.2%	10.7%		

Key Metrics	Q2 21	Q1 21	Q2 20	QoQ	YoY
Avg Loans & BAs - Total	**168,700**	165,588	160,008	2%	5%
Avg Deposits - Total	**233,829**	227,641	205,097	3%	14%
CET1 Ratio	**12.2%**	11.9%	11.4%		

- Revenues up 8% YoY and PTPP up 9% YoY(1)
  - Average loans up 5% YoY
  - Average deposits up 14% YoY
  - Positive operating leverage
- Low PCL on strong portfolio performance and improving economic environment
- EPS of $2.25
- Industry-leading ROE of 22.0%(2)

(1) Pre-Tax Pre-Provision earnings (PTPP) is the difference between total revenues (TEB) and non-interest expenses. This is a non-GAAP measure. See slide 2.
(2) Return on Equity (ROE) does not have a standardized meaning under GAAP and may not be comparable to similar measures disclosed by others. See slide 2.

APPENDIX 2 | PERSONAL AND COMMERCIAL BANKING

P&C Summary Results – Q2 2021

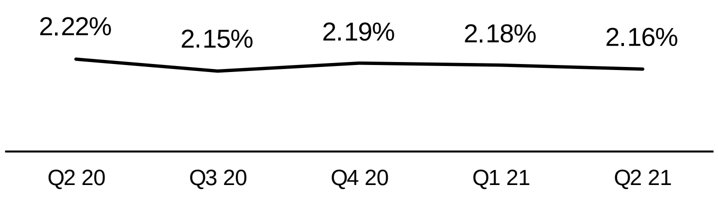
($MM)

	Q2 21	Q1 21	Q2 20	QoQ	YoY
Revenues	**902**	902	846	-	7%
Personal	**542**	554	523	(2%)	4%
Commercial	**360**	348	323	3%	11%
Non-Interest Expenses	**479**	490	469	(2%)	2%
Pre-Tax / Pre-Provisions	**423**	412	377	3%	12%
PCL	**(14)**	56	301		
Net Income	**321**	262	56	23%	473%

Key Metrics	Q2 21	Q1 21	Q2 20	QoQ	YoY
Avg Loans & Bas	**124,189**	121,478	116,534	2%	7%
Personal	**83,966**	82,857	78,293	1%	7%
Commercial	**40,223**	38,621	38,241	4%	5%
Avg Deposits	**75,221**	74,229	63,869	1%	18%
Personal	**36,408**	36,102	32,454	1%	12%
Commercial	**38,813**	38,127	31,415	2%	24%
NIM (%)	**2.16%**	2.18%	2.22%	(0.02%)	(0.06%)
Efficiency Ratio (%)	**53.1%**	54.3%	55.4%	-120 bps	-230 bps
PCL Ratio	**(0.05%)**	0.18%	1.05%		

- Revenues up 7% YoY:
  - Solid growth on both sides of the balance sheet
  - Continued momentum in real estate across the franchise
  - Partly offset by lower margin
- NIM down 2 bps QoQ on mix

P&C Net Interest Margin(1)



(1) NIM is on Earning Assets.

APPENDIX 3 | WEALTH MANAGEMENT

Wealth Management Summary Results – Q2 2021

($MM)

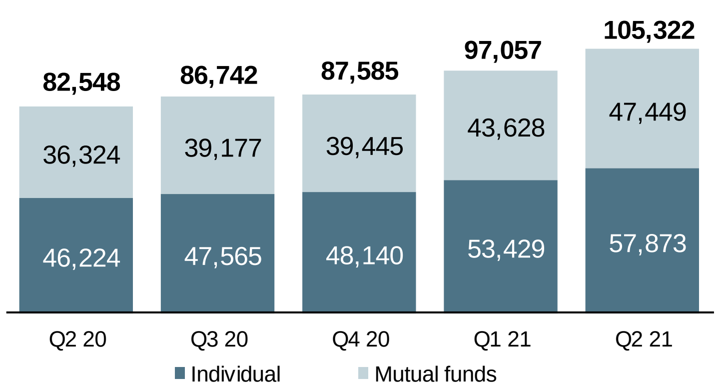
	Q2 21	Q1 21	Q2 20	QoQ	YoY
Revenues	**541**	519	475	4%	14%
Fee-Based	**318**	302	267	5%	19%
Transaction & Others	**112**	107	98	5%	14%
Net Interest Income	**111**	110	110	1%	1%
Non-Interest Expenses	**315**	303	280	4%	13%
Pre-Tax / Pre-Provisions	**226**	216	195	5%	16%
PCL	**2**	(2)	4		
Net Income	**165**	160	141	3%	17%

Key Metrics *($B)*	Q2 21	Q1 21	Q2 20	QoQ	YoY
Avg Loans & BAs	**5.8**	5.4	4.8	8%	21%
Avg Deposits	**33.9**	34.9	34.5	(3%)	(2%)
Asset Under Administration	**596.8**	559.2	466.1	7%	28%
Asset Under Management	**105.3**	97.1	82.5	9%	28%
Efficiency Ratio (%)	**58.2%**	58.4%	58.9%	-20 bps	-70 bps

- Strong quarter with net earnings up 17% YoY driven by:
  - Favorable markets
  - Strong net sales
  - Elevated transaction activity

Assets Under Management

($MM)



APPENDIX 4 | FINANCIAL MARKETS

Financial Markets Summary Results – Q2 2021

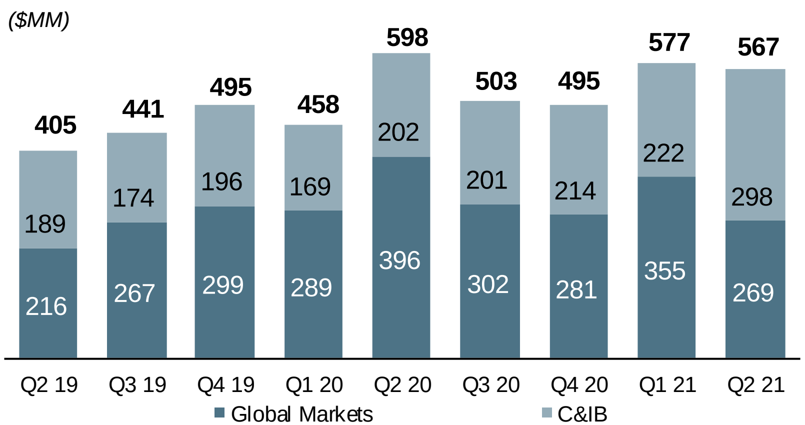
($MM, TEB)

	Q2 21	Q1 21	Q2 20	QoQ	YoY
Revenues	**567**	577	598	(2%)	(5%)
Global Markets	**269**	355	396	(24%)	(32%)
C&IB	**298**	222	202	34%	48%
Non-Interest Expenses	**225**	228	220	(1%)	2%
Pre-Tax / Pre-Provisions	**342**	349	378	(2%)	(10%)
PCL	**18**	9	162		
Net Income	**238**	250	159	(5%)	50%

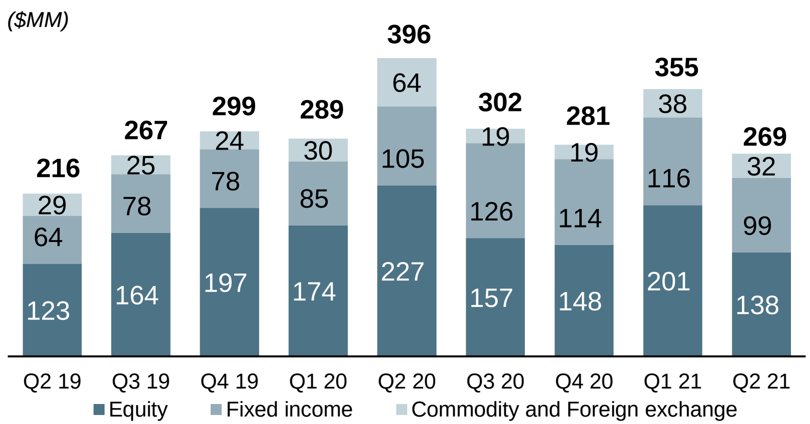
Other Metrics	Q2 21	Q1 21	Q2 20	QoQ	YoY
Avg Loans & BAs [1]	**18,377**	18,522	19,436	(1%)	(5%)
Efficiency Ratio (%)	**39.7%**	39.5%	36.8%	+20 bps	+290 bps

- Strong performance in Financial Markets with record quarter for C&IB
- C&IB: Revenues up 48% YoY, with outperformance across the franchise
- Global Markets: Solid performance against record revenues in Q2 2020
  - Reduced opportunities in Securities Finance and normalization of volatility

Financial Markets Revenues



Global Markets Revenues



(1) Corporate Banking only.

APPENDIX 5 | US SPECIALTY FINANCE & INTERNATIONAL

USSF&I Summary Results – Q2 2021

($MM)

ABA Bank Summary Results	Q2 21	Q1 21	Q2 20	QoQ	YoY
Revenues	**121**	119	99	2%	22%
Non-Interest Expenses (1)	**42**	44	47	(5%)	(11%)
Pre-Tax / Pre-Provisions	**79**	75	52	5%	52%
PCL	**11**	2	8		
Net Income (2)	**60**	57	54	5%	11%
Avg Loans & Receivables	**5,070**	4,713	4,015	8%	26%
Avg Deposits	**6,492**	6,175	4,813	5%	35%
Efficiency Ratio (%)	**34.7%**	37.0%	47.5%		
ABA Bank - Branches	**79**	79	77		

Credigy Summary Results	Q2 21	Q1 21	Q2 20	QoQ	YoY
Revenues (3)	**115**	155	82	(26%)	40%
Non-Interest Expenses	**34**	39	34	(13%)	-
Pre-Tax / Pre-Provisions	**81**	116	48	(30%)	69%
PCL	**(12)**	16	24		
Net Income	**69**	79	19	(13%)	263%
Avg Assets	**7,408**	7,448	7,920	(1%)	(6%)
Avg Assets US$	**5,915**	5,810	5,732	2%	3%
Efficiency Ratio (%)	**29.6%**	25.2%	41.5%		

USSF&I Summary Results	Q2 21	Q1 21	Q2 20	QoQ	YoY
Revenues	**237**	274	183	(14%)	30%
Non-Interest Expenses	**77**	83	82	(7%)	(6%)
Pre-Tax / Pre-Provisions	**160**	191	101	(16%)	58%
PCL	**(1)**	18	32		
Net Income	**129**	136	74	(5%)	74%

ABA Bank

- Continued momentum with revenues up 22% YoY, loans up 26% and deposits up 35%

Credigy

- Solid results reflecting strong performance of existing book and improving economic environment

USSF&I

- Well positioned to deliver double-digit earnings growth in F2021

(1) Higher expenses in Q2 2020 due to a variable compensation adjustment.
(2) Net income in Q2 2020 benefitted from a $20MM tax incentive to support bond listing on the Cambodia Securities Exchange).
(3) Revenues in Q1 2021 reflect a gain on sale of solar loans portfolio of $26MM; revenues in Q2 2020 reflect unfavourable mark-to-market portfolio value adjustments totaling $29MM.

APPENDIX 6 | OTHER

Other Segment Summary Results – Q2 2021

($MM, TEB)

	Q2 21	Q1 21	Q2 20
Revenues	**35**	9	10
Non-Interest Expenses	**103**	76	70
Pre-Tax / Pre-Provisions	**(68)**	(67)	(60)
PCL	**-**	-	5
Pre-Tax Income	**(68)**	(67)	(65)
Net Income	**(52)**	(47)	(51)

- Stable net income loss YoY
- Higher revenues from gains on investments reflecting favorable markets
- Non-interest expenses up YoY:
  - Technology investments
  - Higher compensation from strong performance

APPENDIX 7 | TOTAL LOAN PORTFOLIO OVERVIEW

Loan Distribution by Borrower Category

($B)

	As at April 30, 2021	% of Total
Retail		
Secured - Mortgage & HELOC	84.8	49%
Secured - Other (1)	8.9	5%
Unsecured	4.5	3%
Credit Cards	1.8	1%
Total Retail	**100.0**	**58%**
Non-Retail		
Real Estate and Construction RE	16.5	10%
Agriculture	7.0	4%
Retail & Wholesale trade	5.6	3%
Other Services	5.6	3%
Manufacturing	5.2	3%
Finance and Insurance	5.0	3%
Utilities	4.6	3%
Oil & Gas and Pipeline	4.3	2%
Oil & Gas	*2.1*	*1%*
Pipeline & Other	*2.2*	*1%*
Other	18.3	11%
Total Non-Retail	**72.1**	**42%**
Purchased or Originated Credit-Impaired	0.6	0.3%
Total Gross Loans and Acceptances	**172.7**	**100%**

- Secured lending accounts for 94% of Retail loans
- Indirect auto loans represent 1.7% of total loans ($2.9B)
- Limited exposure to unsecured retail and cards (4% of total loans)
- Non-Retail portfolio is well-diversified across industries

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

APPENDIX 8 | REGIONAL DISTRIBUTION OF CANADIAN LOANS

Prudent Positioning

(As at April 30, 2021)

	Quebec	Ontario	Oil Regions[1]	BC/MB	Maritimes[2] and Territories	**Total**
Retail						
Secured Mortgage & HELOC	27.6%	13.7%	4.7%	3.6%	1.1%	**50.7%**
Secured Other	2.8%	1.3%	0.5%	0.7%	0.3%	**5.6%**
Unsecured and Credit Cards	2.6%	0.4%	0.1%	0.1%	0.2%	**3.4%**
Total Retail	**33.0%**	**15.4%**	**5.3%**	**4.4%**	**1.6%**	**59.7%**
Non-Retail						
Commercial	17.8%	4.4%	1.8%	1.7%	0.7%	**26.4%**
Corporate Banking and Other[3]	4.5%	5.0%	2.9%	1.2%	0.3%	**13.9%**
Total Non-Retail	**22.3%**	**9.4%**	**4.7%**	**2.9%**	**1.0%**	**40.3%**
Total	**55.3%**	**24.8%**	**10.0%**	**7.3%**	**2.6%**	**100.0%**

Within the Canadian loan portfolio:

- Limited exposure to unsecured consumer loans (3.4%)
- Modest exposure to unsecured consumer loans outside Quebec (0.8%)
- RESL exposure predominantly in Quebec

(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 | LIMITED EXPOSURE TO COVID-19 MOST IMPACTED INDUSTRIES

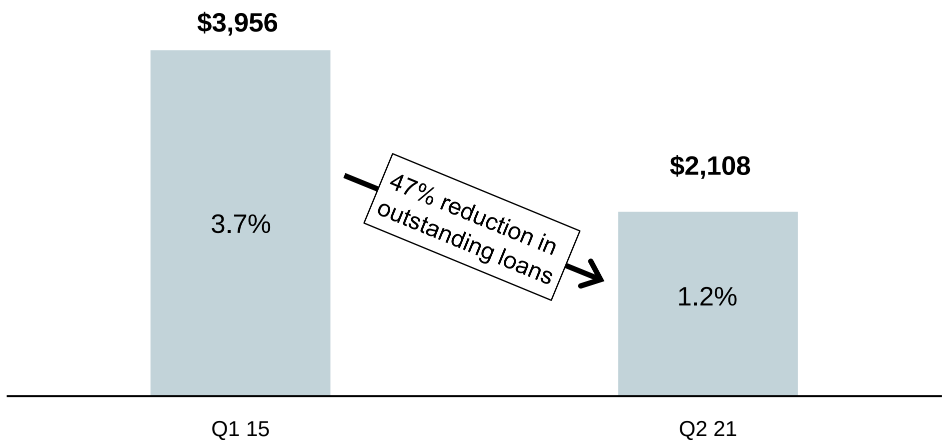
- Exposure to COVID-19 key impacted sectors remains modest at 3.4% of total gross loans

	Gross Loans *($MM)*	% of Book	
Non-Food / Non-Pharmacy Retailers			
Car Dealerships	$518	0.3%	■ Decrease of 5% QoQ / Typically secured by real estate / Strong recovery in car sales
Other Retailers	$508	0.3%	■ Decrease of 4% QoQ / Diversified customer base / Around 20% in apparel
Essential Services Retailers	$390	0.2%	■ Decrease of 20% QoQ / Majority of exposure is secured / No loan under moratorium
Hospitality and Entertainment			
Entertainment	$479	0.3%	■ Decrease of 1% QoQ / 45% in professional sports teams which are 71% IG
Hotels	$369	0.2%	■ Remained disciplined in sector / Secured portfolio with conservative LTV and branded assets
Restaurants	$191	0.1%	■ Stable QoQ / Maintained a low risk appetite for the sector throughout the years / 57% IG
Air Transportation and Aeronautics			
Aviation	$483	0.3%	■ Decrease of 1% QoQ / 17% related to airports and airport operations
Aeronautics	$26	0.0%	
Auto and Auto Parts Manufacturing	$118	0.1%	■ Decrease of 28% QoQ
Retail Real Estate			■ Constrained portfolio growth in recent years
Diversified REITs	$630	0.4%	■ Primarily IG REITs with good liquidity and continued access to capital markets
Commercial Retail	$1,994	1.2%	■ More than 90% with street access / about 50% of leases with essential services tenants

APPENDIX 10 | OIL & GAS AND PIPELINES SECTOR

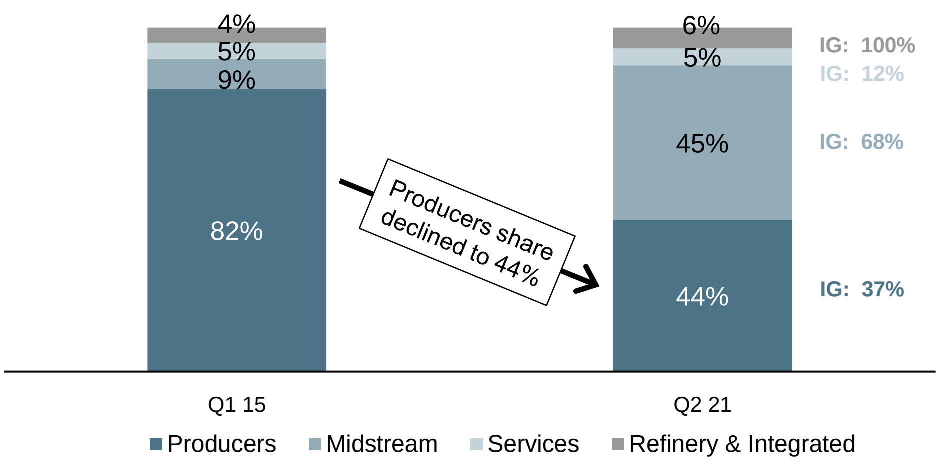
O&G Producers and Services Exposure

Gross Loans in $MM and % of Total Loans



O&G and Pipeline sector

Total Gross Loans of $4.3B as at April 30, 2021



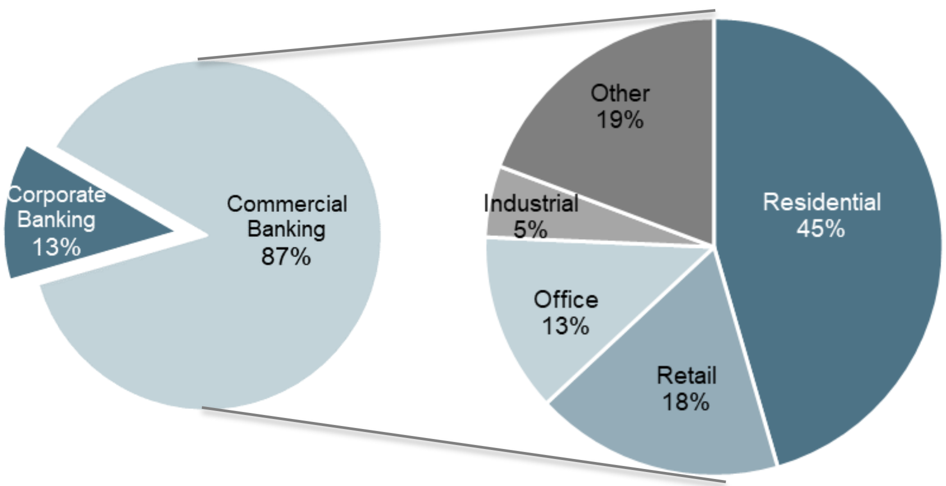
- O&G producers and services exposure significantly reduced
  - 47% reduction in outstanding loans: down from $4B in Q1/15 to $2.1B in Q2/21 (vs $2.3B in Q1/21)
  - Reduction as a % of total loans: down from 3.7% in Q1/15 to 1.2% in Q2/21
  - Canadian focused strategy, minimal direct US exposure
- Overall O&G and Pipeline portfolio refocused from mid-cap to large cap
  - Producers share declined from 82% in Q1/15 to 44% in Q2/21
  - 53% of the portfolio is Investment Grade (as of Q2/21)
- Very modest indirect exposure to unsecured retail loans in the oil regions (~0.1% of total loans)

APPENDIX 11 | COMMERCIAL REAL ESTATE PORTFOLIO

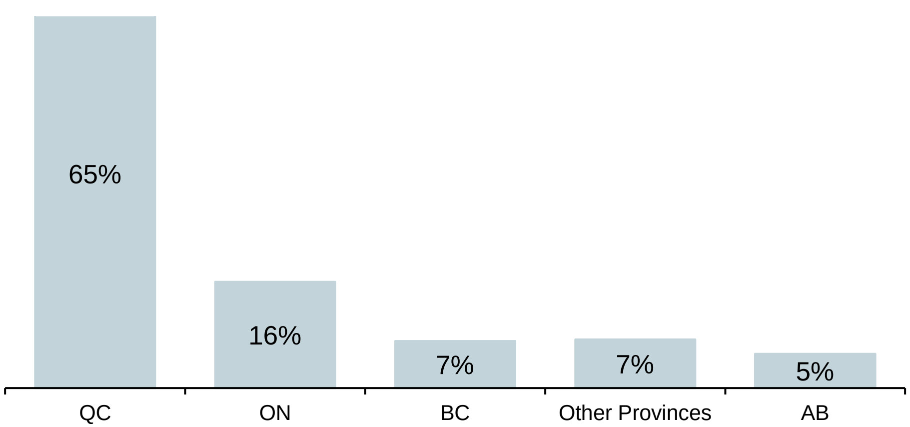
(As at April 30, 2021)

Total CRE Portfolio
$13.0B (7.5% of total loans)

Commercial Banking share
$11.4B (6.6% of total loans)



Geographic Distribution (Commercial Banking CRE)



Total CRE Portfolio of $13.0B

- Corporate Banking accounts for 13% of portfolio, primarily public REITs, well diversified across sectors
- Commercial Banking accounts for 87% of portfolio

Drill down on Commercial Banking CRE:

Residential (3.0% of total loans – up $1B)

- Accounted for majority of portfolio growth in Q2/21; ~2/3rd of which was insured
- Insured portfolio now represents 45%
- LTV on uninsured ~60%

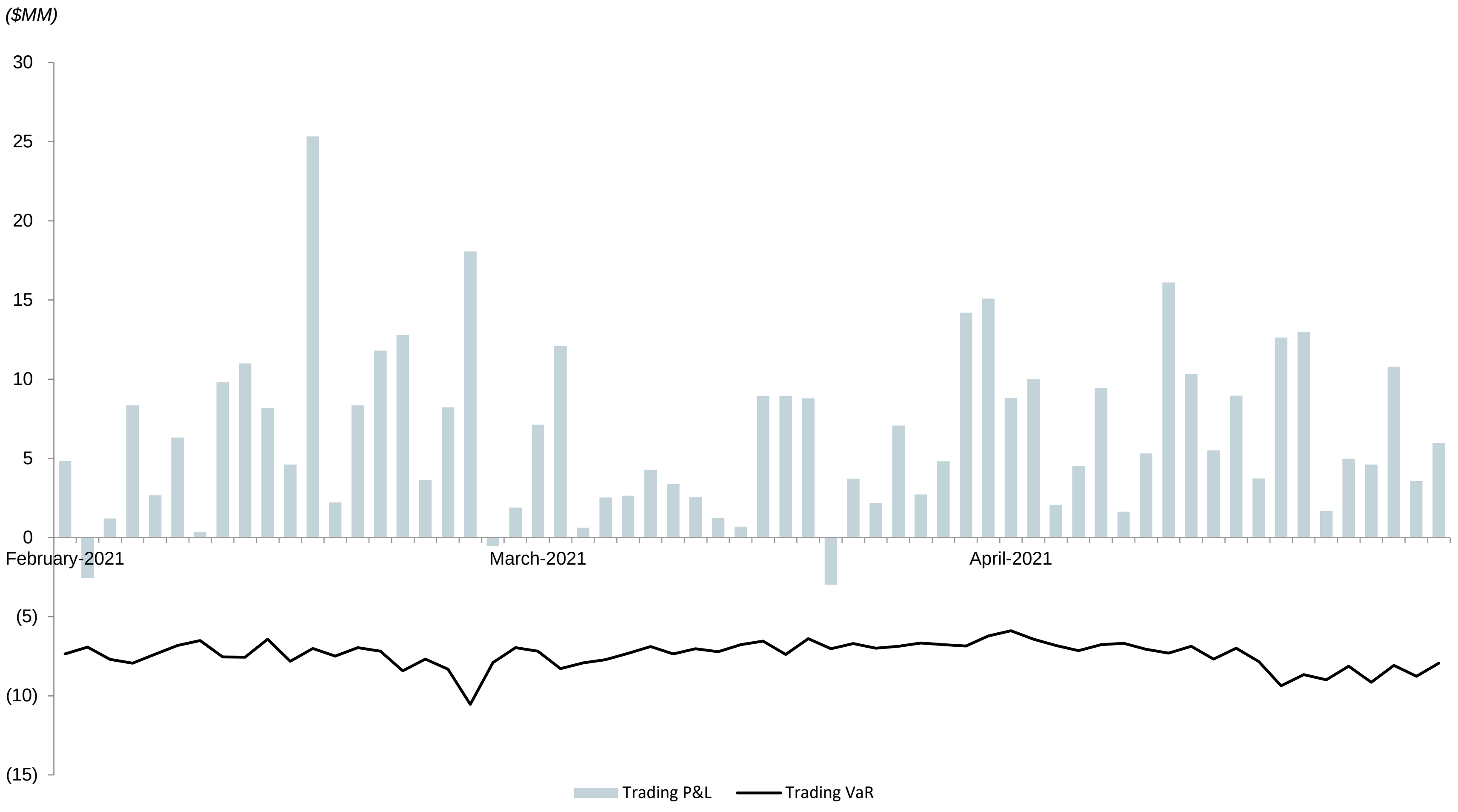
Retail (1.2% of total loans – stable)

- Share of portfolio reduced by 6% YoY
- Portfolio LTV ~59%
- ~50% of leases with essential services tenants

Office (0.8% of total loans – stable)

- Share of portfolio reduced by 5% YoY
- Portfolio LTV ~58%
- Long term leases (over 6 years)

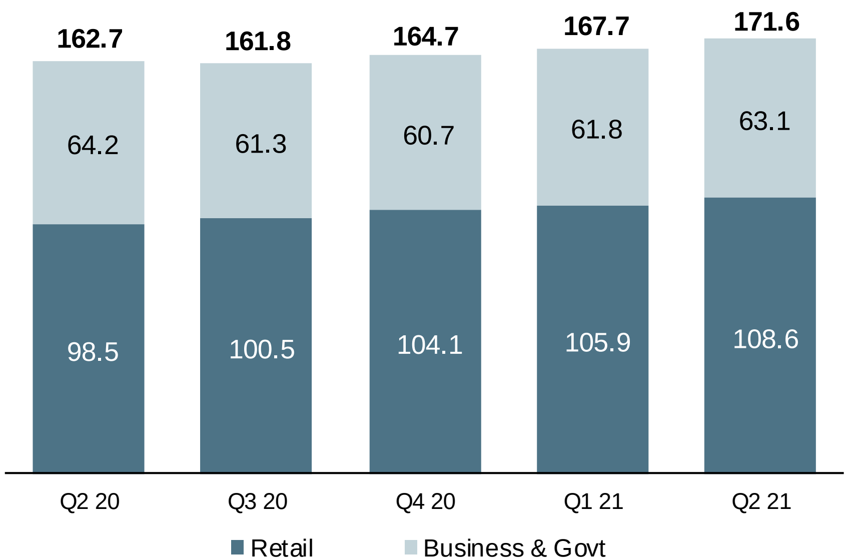
APPENDIX 12 | DAILY TRADING AND UNDERWRITING REVENUES VS. VAR



APPENDIX 13 | LOAN & DEPOSIT OVERVIEW

Loans and BA's[1]

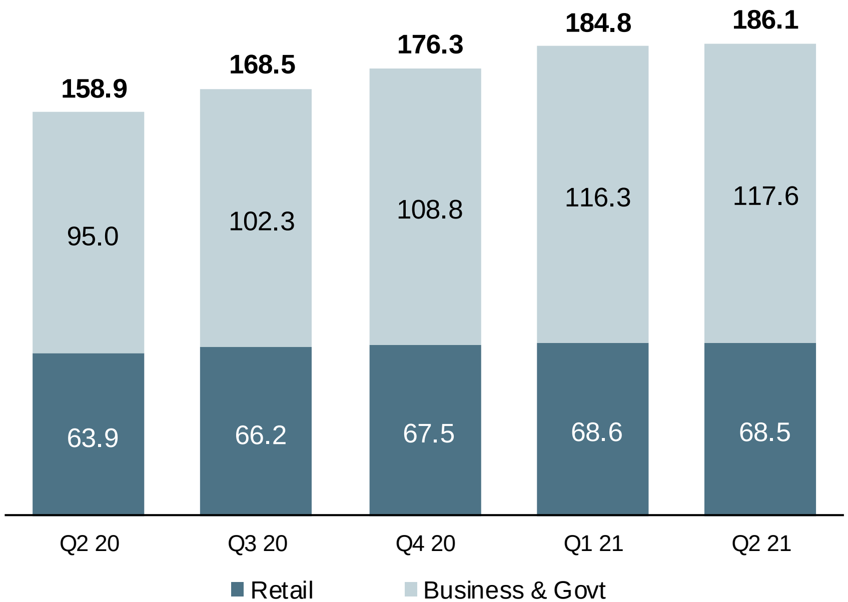
($B)



	QoQ	YoY
Loan Growth	**2.3%**	**5.5%**
Retail	2.5%	10.3%
Business & Govt	2.1%	(1.7%)

Deposits[2]

($B)

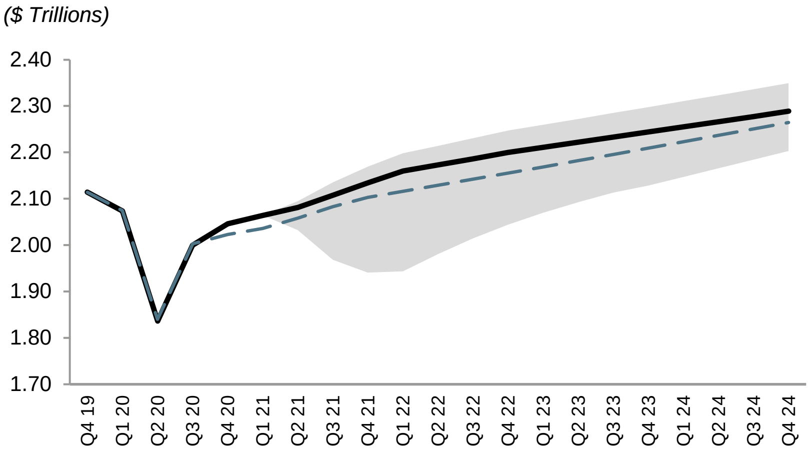


	QoQ	YoY
Deposit Growth	**0.7%**	**17.1%**
Retail	(0.1%)	7.2%
Business & Govt	1.1%	23.8%

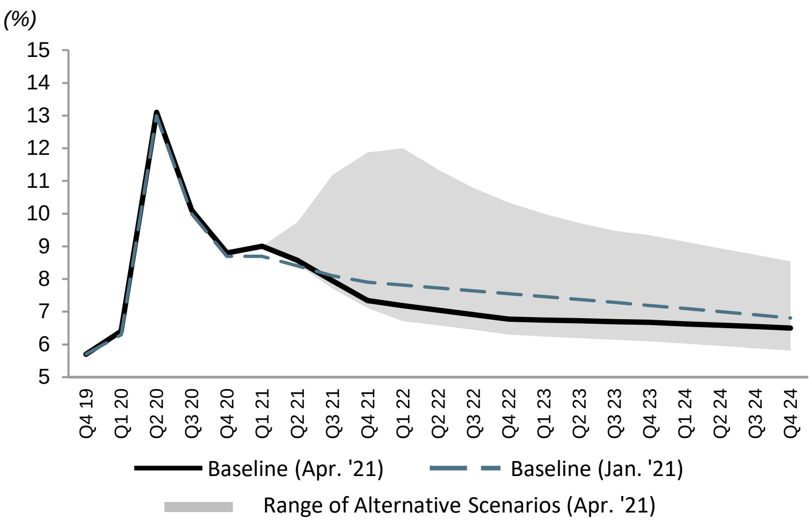
(1) As per balance sheet total net loans.
(2) As per balance sheet total deposits, excluding deposits from deposit-taking institutions and wholesale funding.

APPENDIX 14 | RANGE OF MACROECONOMIC SCENARIOS - IFRS9

Canada Real GDP



Canada Unemployment Rate



NBC Macroeconomic Forecast: Q2/21 vs. Q1/21

(Full Calendar Years)

Base Scenario	C2021	C2022
Real GDP (Annual Average % Change)		
As at Jan. 31, 2021	4.3%	3.2%
As at Apr. 31, 2021	5.4%	4.0%
Unemployment Rate (Average %)		
As at Jan. 31, 2021	8.3%	7.7%
As at Apr. 31, 2021	8.2%	7.0%
Housing Price Index (Q4/Q4 % Change)		
As at Jan. 31, 2021	4.0%	3.0%
As at Apr. 31, 2021	4.5%	1.0%
WTI (Average US$ per Barrel)		
As at Jan. 31, 2021	47	52
As at Apr. 31, 2021	62	63
S&P/TSX (Q4/Q4 % Change)		
As at Jan. 31, 2021	10.8%	3.0%
As at Apr. 31, 2021	15.1%	3.0%
BBB Spread (Average Spread %)		
As at Jan. 31, 2021	1.8%	1.8%
As at Apr. 31, 2021	1.5%	1.7%

Source: NBF Economics and Strategy. Macroeconomic assumptions are for calendar years. See pages 5 and 71 of the Bank's Second Quarter 2021 Report to Shareholders for additional information.

NATIONAL BANK OF CANADA

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