

## SPEAKING NOTES - NATIONAL BANK OF CANADA FIRST QUARTER EARNINGS CONFERENCE CALL WEDNESDAY, FEBRUARY 25, 2026

The following speakers' notes, in addition to the webcast and the accompanying presentation materials, are provided for your information only, are current only as of the date of the webcast, and may be superseded by more current information, except as required by law. National Bank of Canada does not undertake any obligation to update the information, whether as a result of new information, future events or otherwise. The entire webcast replay, which includes a question and answer session, can be accessed via the Bank's website at <https://www.nbc.ca/about-us/investors/quarterly-results.html>. In no way does National Bank of Canada assume any responsibility for any investment or other decisions made based upon the information provided on its website or in these speakers' notes. Users are advised to review the webcast itself and the Bank's filings with the Canadian Securities regulators before making any investment or other decisions.

**CAUTION REGARDING FORWARD-LOOKING STATEMENTS:** Certain statements in this document and orally are forward-looking statements. These statements are made in accordance with applicable securities legislation in Canada and the United States. The forward-looking statements in this document and made orally may include, but are not limited to, statements in the messages from management, as well as other statements about the economy, the Bank's objectives, outlook, and priorities for fiscal 2026 and beyond, the strategies or actions that the Bank will take to achieve them, expectations for the Bank's financial condition and operations, the regulatory environment in which it operates, the potential impacts of increased geopolitical uncertainty on the Bank and its clients, its environmental, social, and governance targets and commitments, the impacts and benefits of the acquisition of Canadian Western Bank (CWB), and certain risks to which the Bank is exposed. The Bank may also make forward-looking statements in other documents and regulatory filings, as well as orally. These forward-looking statements are typically identified by verbs or words such as "outlook", "believe", "foresee", "forecast", "anticipate", "estimate", "project", "expect", "intend" and "plan", the use of future or conditional forms, notably verbs such as "will", "may", "should", "could" or "would", as well as similar terms and expressions. These forward-looking statements are intended to assist the security holders of the Bank in understanding the Bank's financial position and results of operations as at the dates indicated and for the periods then ended, 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 that the Bank deems reasonable as at the date thereof and are subject to uncertainty and 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 will 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 materially from the expectations, estimates, or intentions expressed in these forward-looking statements due to a number of factors. Therefore, the Bank recommends that readers not place undue reliance on 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 other uncertainties and potential events 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 2026, in particular in the context of increased geopolitical uncertainty, and how that performance will affect the Bank's business are among the factors considered in setting the Bank's objectives, outlooks and priorities. These assumptions appear in the 2025 Annual Report in the Economic Review and Outlook section and, for each business segment, in the Economic and Market Review sections of the 2025 Annual Report 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 their future outcome is subject to a variety of 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 business and financial market conditions in Canada, the United States, and the other countries where the Bank operates, including recession risk; geopolitical and sociopolitical uncertainty; the measures affecting trade relations between Canada and its partners, including the imposition of tariffs and any measures taken in response to such tariffs, as well as the possible impacts on our clients, our operations and, more generally, the economy; exchange rate and interest rate fluctuations; inflation; global supply chain disruptions; higher funding costs and greater market volatility; changes to fiscal, monetary, and other public policies; regulatory oversight and changes to regulations that affect the Bank's business; the Bank's ability to successfully integrate CWB and the undisclosed costs or liability associated with the acquisition; climate change, including physical risks and risks related to the transition to a low-carbon economy; stakeholders engagement and the Bank's ability to meet their expectations on environmental and social issues; the availability of comprehensive and high-quality information from customers and other third parties, including greenhouse gas emissions; the ability of the Bank to identify climate-related opportunities as well as to assess and manage climate-related risks; 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 ability of the Bank to recruit and retain key personnel; technological innovation, including open banking and the use of artificial intelligence; heightened competition from established companies and from competitors offering non-traditional services; model risk; changes in the performance and creditworthiness of the Bank's clients and counterparties; the Bank's exposure to significant regulatory issues or litigation; changes made to the accounting policies used by the Bank to report its financial position, including the uncertainty related to assumptions and significant accounting estimates; changes to tax legislation in the countries where the Bank operates; changes to capital and liquidity guidelines as well as to the instructions related 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; third-party risk, including failure by third parties to fulfil their obligations to the Bank; the potential impacts of disruptions to the Bank's information technology systems due to cyberattacks and theft or disclosure of data, including personal information and identity theft; the risk of fraudulent activity; and possible impacts of major events on 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; and the ability of the Bank to anticipate and successfully manage risks arising from all of the foregoing factors. The foregoing list of risk factors is not exhaustive, and the forward-looking statements made in this document are also subject to risks detailed in the Risk Management section of the 2025 Annual Report and may be updated in the quarterly reports to shareholders filed thereafter.

**NON-GAAP AND OTHER 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 2025 Annual Report and subsequent reports to shareholders. 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 and other 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 relating to the non-GAAP and other financial measures presented in this document and an explanation of their composition, refer to pages 18-23 and 136-139 of the Bank's 2025 Annual Report, which is available at [nbc.ca/investorrelations](http://nbc.ca/investorrelations) or at [sedarplus.ca](http://sedarplus.ca). Such explanation is incorporated by reference hereto.

\*\*\*\*\*

## Marianne Ratté – Vice President & Head, Investor Relations

Merci, and welcome, everyone.

We will begin the call with remarks from Laurent Ferreira, President and CEO; Marie Chantal Gingras, CFO; and Jean-Sébastien Grisé, Chief Risk Officer.

Our business heads are also present for the Q&A session, including:

- Julie Lévesque, Personal Banking;
- Judith Ménard, Commercial and Private Banking;
- Nancy Paquet, Wealth Management;
- Étienne Dubuc, Capital Markets; and
- Bill Bonnell, International.

Before we begin, please refer to **Slide 2** of our presentation for forward-looking statements and non-GAAP measures. Management will refer to adjusted results, unless otherwise noted. I will now pass the call to Laurent.

## Laurent Ferreira, President & CEO

Merci Marianne, and thank you, everyone, for joining us.

For the first quarter of 2026, we generated EPS of \$3.25, representing an 11% year over year increase.

Our results were driven by strong performance across our retail and business segments, as well as cost and funding synergies related to the CWB transaction and share buybacks.

We generated a return on equity of 16.6% and our CET1 ratio is solid at 13.7%.

This morning, we announced that we are upsizing our NCIB to repurchase up to 14.5 million shares, from 8 million currently, pending regulatory approval. To date, we have repurchased 6.4 million shares under our program.

Earlier this month, we closed the Syndicated Loan Transaction with Laurentian Bank. The Retail/SME portfolios are on track to close by late 2026, subject to regulatory approvals.

Our capital deployment priorities are to drive organic business growth and operational efficiency, and to grow dividends at sustainable levels. This will be complemented by share buybacks and, depending on opportunities, selective tuck-in acquisitions in P&C and Wealth.

We want to operate with strong capital levels and continue to target a CET1 ratio converging towards 13% by the end of 2027.

Turning to our economic outlook. The geo-political and economic backdrop continues to weigh on the economy. We are far from our GDP potential. Trade tensions and uncertainty around CUSMA are affecting our country, and business investment has slowed down. Our economy must take a different strategic direction and go through structural changes. We are encouraged by our government's actions and by momentum across the country to re-establish our economic sovereignty.

We are particularly pleased to see concrete actions towards our re-industrialization, including Canada's initiative to welcome the Defense, Security and Resilience Bank, as well as the announcement of Canada's Defense Industrial Strategy.

Turning now to our business segments.

With revenues of more than \$1.5 billion and net income of \$442 million, **P&C Banking** delivered strong performance in Q1. We executed on CWB's integration, with a focus on client transition, and are realizing on cost and funding synergies. And, we have also made early gains on revenue synergies from capital markets solutions.

Our balance sheet is growing.

Personal mortgages grew 3% sequentially, a strong start against our mid-single digit growth target for 2026.

Commercial loans grew 1% sequentially, and we still expect to start growing the CWB portfolio in the second half of the year.

Net income in our **Wealth Management** segment increased 13% year over year to \$274 million, supported by strong growth in fee-based and transaction revenues. Assets under administration grew 3% sequentially to reach close to \$900 billion, with resilient equity markets and strong net sales.

**Capital Markets** generated net income of \$443 million, up 6% year over year, driven by strong contributions from both our trading and non-trading businesses.

In Global Markets, our strong performance in Equities was supported by opportunities in Securities Finance and elevated issuances in Structured Products. We also continued to see steady opportunities in our rates and credit business, as expected.

Meanwhile, corporate activity supported strong equity and debt issuances, and banking revenues in our CIB franchise.

**Credigy** delivered net income of \$47 million, with average assets up 9% year over year and 1% sequentially as we continue to benefit from recurring flows from established partnerships. We remain highly disciplined in pursuing new deals given the prevailing competitive market dynamics and pricing conditions.

At **ABA Bank**, net income increased 9% year over year, reflecting balance sheet growth and a build in performing PCLs. Revenues were up 13% over the same period, with deposits and loans up 18% and 11%, respectively.

I will now pass the call to Marie Chantal.

**Marie Chantal Gingras, CFO & EVP, Finance**

Thank you, Laurent, and good morning, everyone.

We delivered strong results in the first quarter. Revenues rose 21% year over year and PTPP grew 23%, driven by solid organic performance across all segments and by the CWB Transaction. Operating leverage was positive at 2%, supported through focused execution and synergy realization.

Excluding CWB, revenues increased 11% year over year and PTPP rose 12%. Expenses were up 10.2%, driven mainly by higher variable compensation. Excluding variable compensation, expenses rose 8.6%, in part driven by salaries and benefits.

Moving to **Slide 9** -- Net interest income, excluding trading grew 5% sequentially.

Prepayment revenues of \$12 million were generated in Credigy, contributing 1 basis point to the all-bank margin.

The P&C segment benefited from strong balance sheet growth and margin expansion of 2 basis points sequentially, driven by higher margins on both loans and deposits.

In Q1, we reclassified \$30 million NII from trading to non-trading, which had no impact on the bank's total revenue. Excluding this, non-trading NII grew 4% sequentially while the margin was up 2 basis points.

Looking at next quarter, we expect the P&C NIM to remain relatively stable from Q1 levels. A better deposit margin is expected to be largely offset by balance sheet mix, as loan growth continues to outpace deposit growth.

Turning to **Slide 10** -- We continued to grow both sides of the balance sheet. Loans rose 23% year over year, or 9% excluding CWB, reflecting contributions from all segments.

Deposits increased \$5 billion or 2% sequentially. Personal deposits grew \$1.5 billion, mostly driven by Wealth Management and ABA.

Now moving to capital on **Slide 11** -- We ended the quarter with a CET1 ratio of 13.74%, supported by capital generation of 41 basis points.

RWA growth consumed 14 basis points of capital. Business growth of approximately 26 basis points was partly offset by a reduction in Credit Risk RWA from refinements and other, as well as a change in the CAR 2026 methodology for Market Risk.

Share buybacks during the quarter reduced the CET1 ratio by 33 basis points. Since the launch of our current NCIB, we have repurchased 6.4 million shares, representing 80% of the current program.

Now turning to **Slide 12** -- We have realized \$176 million of cost and funding synergies to date, exceeding our year 1 target of \$135 million. We continue to build strong momentum on synergy realization and remain on track to deliver \$270 million by the end of fiscal 2026. On revenue synergies, we are progressing as planned towards our \$50 million target by year-end.

We delivered a strong start to the year, supported by solid underlying performance across all businesses, ongoing cost execution and realization of CWB synergies, all while credit remained aligned with expectations. In addition, we accelerated share buybacks under our existing share repurchase program.

Accordingly, EPS growth in 2026 is now expected to be at the top end of our 5 to 10% outlook. Reflecting these factors, we are raising our 2026 ROE target to around 16%, from around 15% previously.

On Slide 13, we outline a path to our ROE objective of 17 percent plus in fiscal 2027.

We forecast that organic earnings growth over 2026 will add approximately 110 basis points to ROE. We also assume incremental CWB revenue synergies will contribute 20 basis points in 2027. The previously announced EPS accretion of 1.5 to 2% from the Laurentian Transaction will add approximately 30 basis points to ROE.

Reaching a CET1 ratio of 13% by the end of fiscal 2027, helped by share buybacks, accounts for approximately 40 basis points of the increase. Finally, ROE will be reduced by approximately 100 basis points reflecting the capital required to support RWA growth.

So, together, these drivers are expected to deliver a ROE of 17 percent plus.

With that, I will now turn the call over to Jean-Sébastien.

**Jean-Sébastien Gris , CRO & EVP, Risk Management**

Merci Marie-Chantal and good morning everyone.

Since our last call, Canadian economic growth has remained modest, and the labour market continues to be soft. Headwinds persist, including trade tensions and uncertainty around CUSMA. However, a lower interest environment, diversification of trading partners, and plans to fast-track nation-building projects should help support economic activity.

In this complex environment, our resilient portfolio mix, disciplined risk management, and prudent provisioning underpinned our strong credit performance.

Now turning to the first quarter results on **Slide 15** -- TOTAL PCLs were \$244 million or 32 basis points, down one basis point quarter-over-quarter.

We added 3 basis points of performing provisions in Q1, primarily driven by portfolio growth, partially offset by more favorable macroeconomic scenarios.

PCL on IMPAIRED loans were \$215 million or 28 basis points, stable quarter-over-quarter, and within our guidance of 25 to 35 basis points for the full year. At CWB, impaired PCLs were 33 basis points, down 36 basis points quarter-over-quarter.

Personal Banking provisions were \$3 million higher sequentially, mainly driven by consumer credit.

Commercial Banking provisions were primarily driven by three files and were down \$9 million quarter over quarter.

Capital Markets provisions rose by \$15 million, largely reflecting one previously impaired file in the mining sector.

At Credigy, provisions increased by \$6 million US, in line with expectations, resulting from the normal seasoning of residential mortgages and consumer loans.

At ABA, impaired provisions were down by \$8 million US sequentially to \$17 million US, in line with lower formations.

Turning to **Slide 16** -- Our total allowances for credit losses were \$2.5 billion, representing 5.9 times coverage of our net charge-offs.

Our performing allowances were \$1.6 billion, demonstrating a strong performing ACL coverage ratio of 2.1 times. We have been building allowances for the past 15 quarters and continue to be comfortable with our prudent and defensive provisioning levels.

Turning to **Slide 17** -- Our gross impaired loan ratio was 111 basis points. Excluding USSF&I, GILs were 81 basis points, and remained flat quarter over quarter.

Net formations were down 8 basis points compared to last quarter, primarily driven by Commercial and Capital Markets.

In conclusion, we are pleased with the credit performance in the first quarter and continue to expect that impaired provisions will be within the 25 to 35 basis points range for the full year. While we remain cautious as we navigate ongoing uncertainty, our defensive qualities, resilient business mix, and prudent allowances position us well for the rest of the year.

And with that, I will now turn the call back to the operator for the Q&A.

**\*\*\* CLOSING REMARKS \*\*\***

**Laurent Ferreira, President & CEO**

Thank you, operator.

And everyone on the call, our Q1 performance was strong, and I am very happy with our execution, and you should expect us to continue to focus on delivering sustainable earnings growth and a premium ROE.

And on that, thank you!