

Aggregate Quantitative Information on 2012 Compensation

National Bank has published this information in accordance with the Basel II Pillar 3 disclosure requirements and as a complement to the qualitative information disclosed in its 2013 Management Proxy Circular.

The Bank's 2013 Circular describes the role and responsibilities of the Human Resources Committee with respect to the compensation policies and programs for all employees, including those who may have a material impact on the Bank's risk profile.

The Circular explains how the Bank ensures that variable compensation is closely tied to prudent risk management and financial performance. It also describes the approval and management process for the compensation policies and programs, as well as the features of the various programs, including the performance criteria, the parameters for creating the deferred portion of annual bonuses, the decision-making framework for adjusting annual variable compensation envelopes and the potential recovery of previously granted variable compensation.

The tables below recap the compensation granted to the Bank's Executive Officers and identified employees, namely, those who may have a material impact on the Bank's risk profile beyond the risk management framework and the established ranges. This category, which was established with the Risk Management sector using specific criteria, consists of senior vice-presidents of the Bank and its subsidiaries as well as Officers and certain specialists of the Financial Markets sector.

The amounts listed are in millions of dollars.

Compensation granted	2012		2011	
	Executive Officers	Identified employees	Executive Officers	Identified employees
Number of employees	11	100	10	96
Fixed compensation				
Cash (not deferred)	\$5.0	\$20.6	\$4.7	\$19.7
Variable compensation				
Cash (not deferred)	\$8.2	\$83.1	\$8.3	\$76.3
Shares and share-linked instruments (deferred)	\$16.0	\$54.3	\$16.0	\$50.2
Total	\$29.2	\$158.0	\$29.0	\$146.2

Deferred compensation	2012		2011	
	Executive Officers	Identified employees	Executive Officers	Identified employees
Outstanding				
Vested	\$32.7	\$36.0	\$27.9	\$23.3
Unvested	\$35.8	\$118.1	\$37.0	\$99.5
Fiscal year payouts	\$9.4	\$44.1	\$18.7	\$39.8

The total amount of outstanding deferred compensation is subject to implicit adjustments (fluctuations in share price) and explicit adjustments (claw backs for the reasons listed in the Management Proxy Circular). However, no deferred compensation granted during a previous year but vested in 2012 has been implicitly or explicitly reduced after the fact.

Other Compensation	2012				2011			
	Executive Officers*		Identified employees*		Executive Officers*		Identified employees*	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Sign-on awards	2	*	6	\$2.16	2	*	4	*
Guaranteed awards	0	-	3	*	1	*	12	\$18.73

* Where only a very small number of employees were affected (e.g. <5) information on awards and bonuses has not been presented above, although it has been disclosed privately to the Office of the Superintendent of Financial Institutions. The information about severance payments has also been disclosed privately to the Office of the Superintendent of Financial Institutions.