

National Bank announces a common share offering, restructuring charges in its fiscal 2015 fourth quarter earnings, and provides an update on its investment in Maple Financial Group Inc.

Montreal, October 1, 2015 – National Bank of Canada (“National Bank”) today announced a bought deal common share offering for \$300 million to strengthen its capital base. National Bank also announced that it expects to take a charge in its fiscal 2015 fourth quarter earnings relating to certain restructuring initiatives aggregating to a total of approximately \$85 million, or \$64 million after tax.

Common Share Offering

National Bank has entered into an agreement with a syndicate of underwriters led by National Bank Financial Inc. for an issue of 7,160,000 common shares, at a price of \$41.90 per common share, to raise gross proceeds of \$300,004,000.

The net proceeds of the offering will be used for general corporate purposes and will qualify as CET1 capital for National Bank. The expected closing date is on or about October 9, 2015. National Bank intends to file in Canada a prospectus supplement to its December 1, 2014 base shelf prospectus in respect of this issue.

The common shares to be offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or under any state securities laws, and may not be offered, sold, directly or indirectly, or delivered within the United States of America and its territories and possessions or to, or for the account or benefit of, United States persons except in certain transactions exempt from the registration requirements of such Act. This press release shall not constitute an offer to sell or a solicitation to buy securities in the United States.

Restructuring Charges

National Bank has initiated certain restructuring initiatives in order to continue its transformation plan to meet the ever changing needs of its customers and to achieve greater operational efficiencies. National Bank expects to take restructuring charges of approximately \$85 million in the fourth quarter, or \$64 million after tax (\$0.19/share). The impact on the CET1 ratio will be approximately 9 bps. The restructuring charges relate to employee severance charges, premises optimization and professional fees. National Bank expects to realize approximately \$35 million of ongoing pretax cost savings as a result of this restructuring. These benefits will be fully realized in fiscal 2016; modest savings are expected in 2015.

“We remain committed to the *One Client, One Bank* transformation of the organization to better serve our customers” said Louis Vachon, President and Chief Executive Officer. “In an environment of low economic growth and high technological transformation, we feel that additional efforts to improve efficiency and processes, as well as adding to our excess capital cushion, are the right steps to take. We are maintaining our investment plans as presented at our Personal and Commercial Banking Investor Day earlier this year.”

“Today’s announcement also translates into selective adjustments that will impact a few hundred employees. Such exceptional decisions are never easy to make. The Bank will make every effort to minimize the impact, notably through replacement opportunities, planned retirement and other initiatives. We sincerely thank those affected for their dedication, over the years, towards National Bank’s development” said Louis Vachon.

National Bank’s CET1 ratio was 9.5% as of July 31, 2015. National Bank estimates that its CET1 ratio will be approximately 9.8% as at October 31, 2015 after accounting for the common share offering and the restructuring charges.

Update on Maple Financial Group Inc.

National Bank holds a 24.9% equity interest in Maple Financial Group Inc. Maple Bank GmbH, an indirectly, wholly-owned subsidiary of Maple Financial Group Inc., is subject to an investigation by German prosecutors regarding alleged tax irregularities for taxation years 2006-2010. National Bank understands that German authorities are looking into the conduct of various current and former members of senior management of Maple Bank GmbH.

National Bank has been seeking additional information to assess the merits of the matter and the impact on the value of its investment, but is not yet able to do so. Given the seriousness of the reported allegations and the actions which may be taken by German regulatory authorities to address risks as to the continued viability of Maple Bank GmbH, National Bank considers its investment at risk of substantial loss. National Bank’s investment in Maple Financial Group Inc. had a carrying value of \$165 million as at August 31, 2015. Should this investment be fully written down, the impact on the CET1 ratio would be approximately 13 bps. Maple Financial Group Inc. contributed less than 1% to National Bank’s annual net income in each of the last two years.

Provision for Credit Losses

National Bank reiterates the 20 to 30 basis point target provided during the third quarter 2015 results conference call.

A conference call to discuss these announcements will take place on October 1, 2015, at 4:30 p.m. and is expected to last approximately 30 minutes. The dial-in numbers for the conference call are 416-340-2217 or 866-862-3930 (Conference ID: 1916501).

National Bank of Canada will be releasing its fourth quarter 2015 results at approximately 7:30 a.m. on December 2, 2015.

Caution Regarding Forward-Looking Statements

This press release includes certain forward-looking statements. These forward-looking statements include, without limitation, statement relating to the closing of the common share offering, guidance relating to the financial impact of the restructuring charges including the Bank’s ability to improve efficiency and realize expected costs savings, ongoing investigations relating to Maple Bank GmbH, the continued viability of Maple Bank GmbH, the value of the Bank’s investment in Maple Financial Group Inc. and the expected capital level of the Bank. These statements are inherently subject to significant risks, uncertainties and changes in circumstances, many of which are beyond the control of the Bank. 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. The forward-looking information contained in this press release is presented for the purpose of interpreting the information contained herein and may not be appropriate for other purposes.

About National Bank of Canada

With \$216 billion in assets as at July 31, 2015, National Bank of Canada (nbc.ca), together with its subsidiaries, forms one of Canada's leading integrated financial groups. The Bank has more than 20,000 employees and is widely recognized as a top employer. The Bank's securities are listed on the Toronto Stock Exchange (TSX: NA). Follow the Bank's activities via social media and learn more about its extensive community involvement at clearfacts.ca and commitment.nationalbank.ca.

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Information (The telephone numbers provided below are for the exclusive use of journalists, other media representatives and shareholders.):

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