



## TFSA Investors: Canada's Best Value Bank Investment

### Description

**National Bank of Canada** ([TSX:NA](#)) is the sixth-largest Canadian bank. The bank carries out business activities in four segments comprising personal and commercial, wealth management, financial markets, and specialty finance business lines.

The bank is a highly collaborative and [agile organization](#) and that has proven to be a true competitive advantage. This has played a key role in the bank's ability to adapt and perform well through unprecedented circumstances.

### Resilient business model

National Bank entered the COVID-19 crisis on a solid footing with a strong balance sheet, strong credit quality and a defensive positioning. The bank's businesses performed well in an [unpredictable environment](#) with revenue growth across all segments and income up 8% from last year. The bank also delivered a healthy return on equity of 15%.

The bank's performance in fiscal 2020 reflects the resilience of National Bank's franchise and the sound diversification of the bank's earnings stream. Over the course of the past year, the bank adopted a proactive and prudent approach to provisioning, in the context of an uncertain and evolving macroeconomic outlook. Amidst all the market volatility in 2020, the bank has delivered industry-leading total returns to shareholders over a twenty-year periods.

### Strategic decision-making

With four strong pillars, the bank is well positioned to pursue growth across all businesses in 2021. In personal and commercial banking, the bank's digital and cultural transformation was key to it being able to offer clients extraordinary support. Significant improvements in client satisfaction scores and market shares in key product categories have benefitted the company.

The bank's wealth management segment is the leading franchise in Quebec and firmly established

across Canada with a differentiated positioning. Transaction volumes were high through the beginning of the pandemic, more than offsetting market declines, and through the second half of the year, assets under administration and management returned to pre-crisis levels.

The bank's financial markets segment also delivered strong results in 2020. As an established leader in selected niche markets, National Bank's financial markets segment business is an important pillar, providing the bank with a diversified earnings stream. Looking forward, the bank would be well served if it continues to place client support front and centre while maintaining a prudent risk profile.

## Digital transformation

In the last several years, the bank has focused particular attention on digital transformation and other technology investments, including cybersecurity and data privacy. The tangible benefits of the major investments made over the past several years have been significant, which has facilitated the bank's adaptability and strengthened technological infrastructure.

## Optimistic future outlook

National Bank has excellent overall strategic positioning. The company's regional model with a leading franchise in Quebec, a pan-Canadian footprint in selected activities, and a focused international strategy has demonstrated the bank's resilience. With a robust balance sheet, prudent approach to risk management, balanced capital deployment strategy and culture of agility, National Bank is well positioned to maintain a sustainable pace of growth in 2021.

The bank has strong leadership across all business lines and strategic functions, as well as a strong bench, ensuring that it has the right talent in the right place as the bank evolves.

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