

National Bank Financial Canadian Financial Services Conference

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Montreal, March 21, 2007



Overall Performance

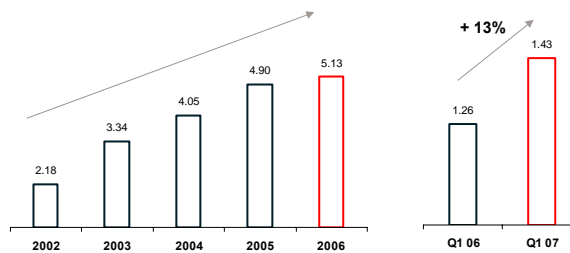


- Quebec's leading bank
- Niche player outside of core geographical markets
- Disciplined execution of strategies
- Sound risk management practices
- Balanced growth

Growth for shareholders

- Constant EPS increases

Diluted EPS
(dollars)

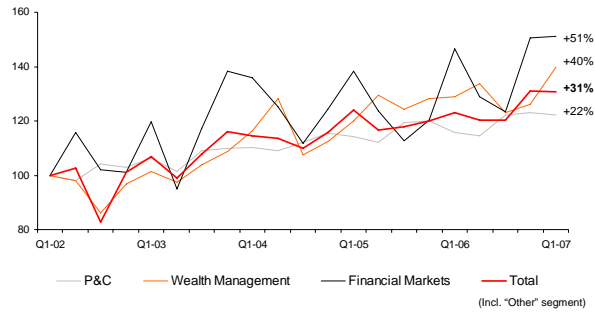


Highlights

- All business lines contributing to growth
- Sum of the parts leading to sustained total growth

Total Revenue Breakdown

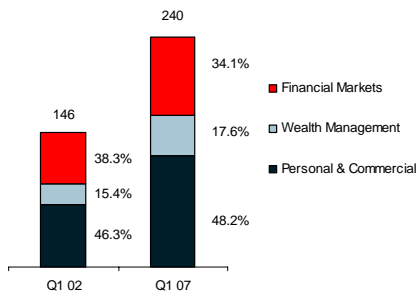
Basis Q1 02 = 100



- Expanded role of Wealth Management activities

Net Income Breakdown

Millions of dollars



Total including "Other" segment

Retail Strategy



Principles to Grow Retail Profitability

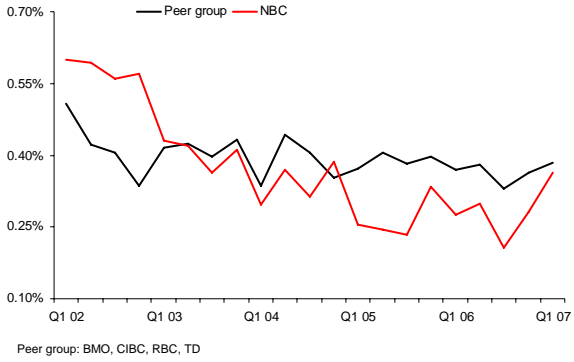
- Balanced growth
 - Develop further synergies
 - Deepen client relationships
 - Keep clear of price wars
 - Hold strong in priority markets
 - Increase client satisfaction
- Generate positive leverage
- Avoid excessive operational and credit risk

Loan Losses

Most Comparable Peers Benchmarking

As a percentage of loans and BAs

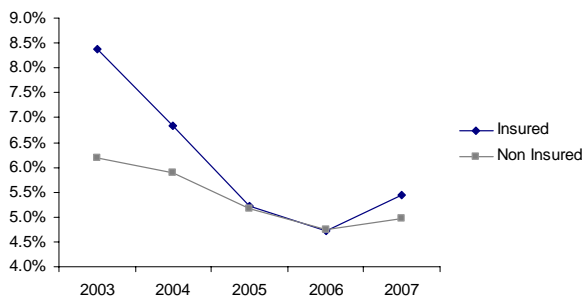
- Quality risk underwriting



Risk Profile – Personal Banking

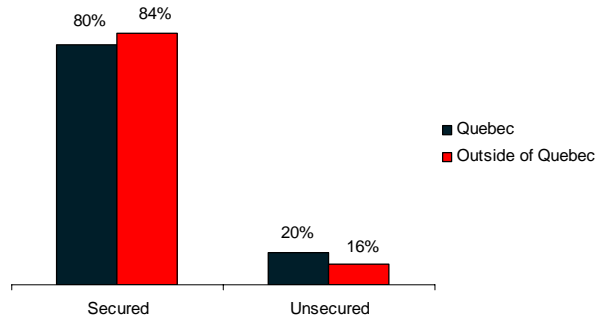
- Very conservative mortgage risk underwriting

Mortgage loans approvals with a beacon score under 600



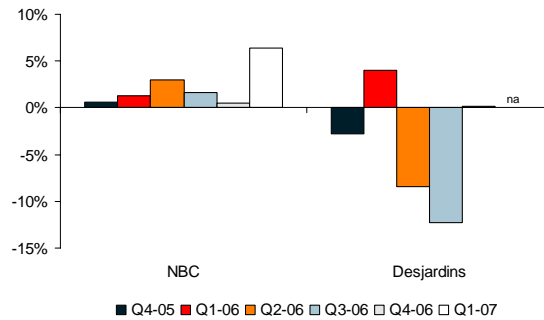
- Partnerships enhancing risk profile outside of Quebec

Type of Risks Distribution – Q1 07



- NBC constant positive retail leverage

NBC Comparison with Desjardins



One quarter advance for Desjardins

- Clear focus on profitable growth

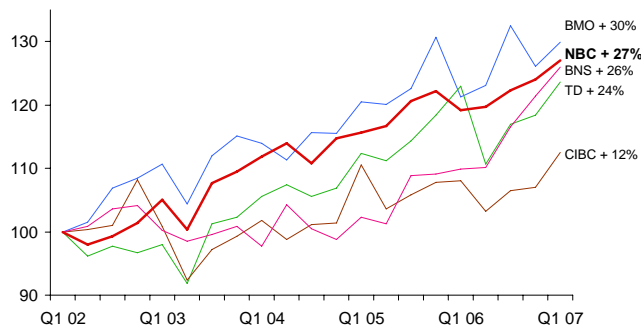
NBC Comparison with Desjardins

	Desjardins		NBC	
	2005	2006	2005	2006
ROE	14.5%	12.1%	20.7%	20.1%
Δ Revenues	7.2%	3.6%	4.5%	5.0%
Δ EBIT*	0.0%	-7.1%	18.0%	4.0%

* Desjardins: before taxes and patronage dividends

- Balance**
- Sustained growth over time
 - Low volatility

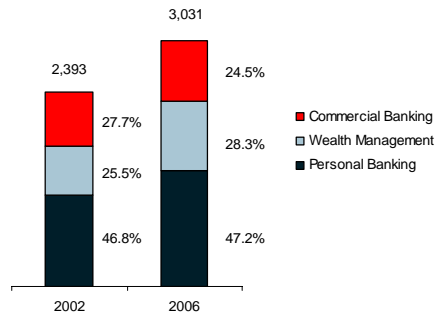
Most Comparable Peers Benchmarking
P&C and WM, basis 2002 = 100



- Expanded role of Wealth Management activities

Revenue Diversity

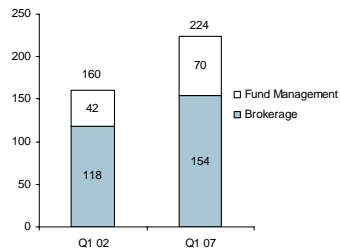
Fiscal Year, millions of dollars



- All key activities contributing to value creation

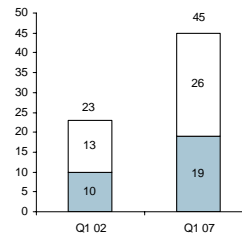
Revenue Growth

Millions of dollars, TEB



Net Income

Millions of dollars



Revenue Momentum

Q1 07 yoy

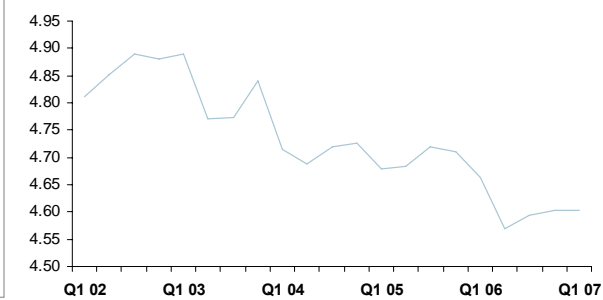
- Private Investment Management + 16%
- Mutual funds + 9%
 - Altamira's Meritage funds
 - Strategic Portfolios
- Retail brokerage + 8%

Risk Rating Trend – Commercial Mid-Market Loans

Risk Analysis:

- Good quality portfolio

Average Risk



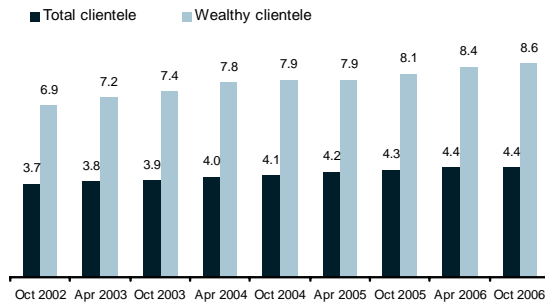
Revenue Momentum

Q1 07 yoy

- Foreign Exchange +29%
- International +18%
- Deposits + 6%

Client-centricity:

- Reaping the benefits of a highly satisfied clientele
- Cross-selling initiatives gaining speed
- Clientele looking for integrated solutions



Revenue Momentum

Q1 07 yoy

- Partnerships + 37%
- Insurance (life premiums) + 10%
- Savings and Investment + 9%

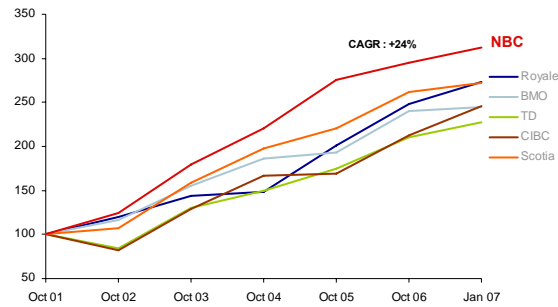
**Key Takeaways**

Highlights

- NBC outpacing main competitors

Total Shareholder Return

Oct 2001 = 100



World Rank:

- 4th – peer group of less than \$US10B market cap (5 yrs)
- 9th – overall 5 yrs
- 13th - overall 10 yrs

Mercer 2007 Top Worldwide Consistent Performers

World rank	NBC peer group rank	Institution	5-year Index
1		Anglo Irish Bank (Ireland)	410
2		UnitedHealth Group (US)	382
3	1	Gruppo Banca Carige (Italy)	344
4	2	Housing Dev. Finance Corp. (India)	287
5		St. George Bank (Australia)	281
6		Erste Bank (Australia)	268
7	3	Public Bank (Malaysia)	268
8		Scotia Bank (Canada)	259
9	4	National Bank of Canada	256
10	5	Banca Popolare de Sondrio (Italy)	253
11	6	People's Bank (US)	243
12	7	CIC (France)	238
13		Great-West Lifeco (Canada)	237
14		Sallie Mae (US)	235
15		RBC Financial Group (Canada)	234
16	8	Grupo Financiero Banorte (Mexico)	231
17	9	RenaissanceRe (US)	225
18		MAN Group (UK)	222
19	10	Bank of Oklahoma (US)	222
20		Manulife Financial (Canada)	219

Shareholder Performance index = [Sharpe Ratio (firm) – Sharpe Ratio (median firm)] x 1000 + 100

Source: Mercer Management Consulting inc., State of the Financial Services Industry 2007

Personal Banking

- Insurance
- Credit card
- Secured loans

Commercial Banking

- Cross-selling
- Deposits

Wealth Management

- Altamira
- Improved synergies

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