



**NATIONAL
BANK**

FINANCIAL GROUP

SUPPLEMENTARY FINANCIAL INFORMATION

FIRST QUARTER 2008 REPORT

For more information:

Patricia Curadeau-Grou, Executive Vice-President, Finance, Risk and Treasury, phone: (514) 394-6619, fax: (514) 394-8476

Jean Dagenais, Senior Vice-President and Chief Financial Officer, phone: (514) 394-6233, fax: (514) 394-6196

Hélène Baril, Director Investor Relations, phone: (514) 394-0296, fax: (514) 394-6196

This document is also available via the Internet on the Bank's web site: www.nbc.ca

 **Index**

Financial Highlights	page 1
Consolidated Statement of Income	page 2
Results of Operations as a Percentage of Average Assets	page 3
Net Income by Sector of Activities (excluding specified items)	page 4
Net Income by Sector of Activities	page 6
Revenues (excluding specified items)	page 7
Non-Interest Expenses (excluding specified items)	page 8
Provision for Credit Losses	page 9
Condensed Consolidated Balance Sheet	page 10
Consolidated Statement of Changes in Shareholders' Equity	page 11
Consolidated Statement of Comprehensive Income	page 12
Assets Under Administration / Management	page 13
Impaired Loans	page 14
Formation of Gross Impaired Loans & Allowance for Credit Losses	page 15
Risk-Adjusted Capital Ratios	page 16
Financial Derivatives	page 17
Shareholders' Information	page 18

FINANCIAL HIGHLIGHTS

	2008	2007				2006				YTD		Full Year	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2008	2007	2007	2006
Net income (\$000,000)	\$255.4	(\$175.2)	\$243.3	\$232.9	\$239.8	\$220.1	\$219.7	\$214.2	\$217.2	\$255.4	\$239.8	\$540.8	\$871.2
Earnings per share													
- basic	\$1.58	(\$1.14)	\$1.49	\$1.42	\$1.45	\$1.33	\$1.32	\$1.29	\$1.28	\$1.58	\$1.45	\$3.25	\$5.22
- diluted	\$1.58	(\$1.14)	\$1.48	\$1.40	\$1.43	\$1.31	\$1.30	\$1.26	\$1.26	\$1.58	\$1.43	\$3.22	\$5.13
Return on common shareholders' equity	22.9%	-16.0%	20.6%	20.3%	20.7%	19.7%	20.2%	20.4%	19.9%	22.9%	20.7%	11.5%	20.1%
Dividend per share	\$0.62	\$0.60	\$0.60	\$0.54	\$0.54	\$0.50	\$0.50	\$0.48	\$0.48	\$0.62	\$0.54	\$2.28	\$1.96

Excluding specified items

Net income (\$000,000)	\$237.2	\$217.3	\$243.3	\$232.9	\$239.8	\$220.1	\$211.4	\$208.5	\$217.2	\$237.2	\$239.8	\$933.3	\$857.2
Earnings per share													
- basic	\$1.47	\$1.34	\$1.49	\$1.42	\$1.45	\$1.33	\$1.27	\$1.25	\$1.28	\$1.47	\$1.45	\$5.71	\$5.13
- diluted	\$1.46	\$1.34	\$1.48	\$1.40	\$1.43	\$1.31	\$1.25	\$1.23	\$1.26	\$1.46	\$1.43	\$5.65	\$5.05
Return on common shareholders' equity	21.3%	18.4%	20.6%	20.3%	20.7%	19.7%	19.5%	19.9%	19.9%	21.3%	20.7%	20.0%	19.7%
Dividend per share	\$0.62	\$0.60	\$0.60	\$0.54	\$0.54	\$0.50	\$0.50	\$0.48	\$0.48	\$0.62	\$0.54	\$2.28	\$1.96

Net interest margin Personal & Commercial Banking	2.66%	2.72%	2.80%	2.82%	2.88%	2.92%	2.92%	2.87%	2.91%	2.66%	2.88%	2.80%	2.91%
Productivity ratio (teb) ⁽¹⁾	61.42%	65.41%	63.58%	63.48%	62.41%	64.11%	65.07%	64.32%	64.18%	61.42%	62.41%	63.71%	64.41%
Effective tax rate (teb)	36.52%	32.01%	31.99%	30.72%	32.86%	35.74%	32.09%	32.87%	33.47%	36.52%	32.86%	31.80%	33.59%
Average loans and BA's (\$000,000)	\$50,711	\$51,120	\$50,791	\$50,197	\$49,518	\$49,613	\$49,822	\$49,509	\$48,629	\$50,711	\$49,518	\$50,408	\$49,392
Average assets (\$000,000)	\$122,853	\$125,387	\$128,998	\$129,750	\$119,846	\$109,412	\$106,680	\$105,389	\$103,591	\$122,853	\$119,846	\$125,964	\$106,275
Total assets (\$000,000)	\$120,124	\$113,085	\$123,353	\$135,172	\$121,402	\$116,801	\$108,552	\$111,083	\$105,172	\$120,124	\$121,402	\$113,085	\$116,801
Average common shareholders' equity (\$000,000)	\$4,337	\$4,486	\$4,576	\$4,605	\$4,484	\$4,328	\$4,208	\$4,190	\$4,221	\$4,337	\$4,484	\$4,530	\$4,237
Number of common shares outstanding (000's)	158,141	157,806	157,858	159,418	161,367	161,512	161,918	161,882	164,313	158,141	161,367	157,806	161,512
Number of common shares (average) (000's)	158,001	157,790	159,209	160,588	161,681	161,969	161,927	162,598	164,903	158,001	161,681	159,811	162,851
Gross impaired loans (\$000,000)	248.6	249.2	232.4	236.2	239.5	233.9	214.3	242.2	259.2	248.6	239.5	249.2	233.9
Gross impaired loans/common equity-goodwill+reserves	6.22%	6.57%	5.66%	5.64%	5.77%	5.91%	5.55%	6.42%	6.75%	6.22%	5.77%	6.57%	5.91%
Impaired loans, net of specific and general allowances (\$000,000)	(168.5)	(178.9)	(198.1)	(197.5)	(196.0)	(192.6)	(209.6)	(197.1)	(194.6)	(168.5)	(196.0)	(178.9)	(192.6)
as a % of net loans and bankers' acceptances	-0.3%	-0.3%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.3%	-0.4%	-0.3%	-0.4%
Book value	\$28.13	\$26.85	\$28.70	\$28.92	\$28.34	\$27.17	\$26.57	\$25.77	\$25.72	\$28.13	\$28.34	\$26.85	\$27.17
Capital ratios - BIS Tier 1 ⁽²⁾	9.3%	9.0%	9.4%	9.3%	9.9%	9.9%	9.4%	9.1%	9.5%	9.3%	9.9%	9.0%	9.9%
Total	12.9%	12.4%	13.4%	13.3%	14.0%	14.0%	12.4%	12.2%	12.7%	12.9%	14.0%	12.4%	14.0%
Tangible shareholders' equity / Risk weighted assets	6.89%	6.77%	7.40%	7.15%	7.50%	7.33%	6.94%	7.06%	7.36%	6.89%	7.50%	6.77%	7.33%

⁽¹⁾ Excluding specified items and adjusted for gains or losses attributable to third parties using the Innocap platform.

⁽²⁾ Under Basel II for Q1-2008.

CONSOLIDATED STATEMENT OF INCOME

2008	2007				2006				YTD		Full Year	
Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2008	2007	2007	2006

(unaudited)(thousands)(taxable equivalent basis)

Net Interest Income	451,149	336,185	325,975	271,920	319,841	365,961	431,656	318,586	297,736	451,149	319,841	1,253,921	1,413,939
Other Income	525,482	121,320	726,730	792,377	733,735	688,499	537,499	649,011	694,110	525,482	733,735	2,374,162	2,569,119
Gross Revenues	976,631	457,505	1,052,705	1,064,297	1,053,576	1,054,460	969,155	967,597	991,846	976,631	1,053,576	3,628,083	3,983,058
Provision for credit losses	32,060	29,154	22,215	23,408	28,365	22,785	15,649	21,665	17,217	32,060	28,365	103,142	77,316
Non-Interest Expenses	631,895	639,756	674,525	660,963	656,953	672,824	622,232	615,045	635,575	631,895	656,953	2,632,197	2,545,676
<i>Income Before Income Taxes</i>	<i>312,676</i>	<i>(211,405)</i>	<i>355,965</i>	<i>379,926</i>	<i>368,258</i>	<i>358,851</i>	<i>331,274</i>	<i>330,887</i>	<i>339,054</i>	<i>312,676</i>	<i>368,258</i>	<i>892,744</i>	<i>1,360,066</i>
Income taxes	114,201	(67,673)	113,870	116,710	121,014	128,261	106,297	108,763	113,497	114,201	121,014	283,921	456,818
<i>Income Before Non-Controlling Interest</i>	<i>198,475</i>	<i>(143,732)</i>	<i>242,095</i>	<i>263,216</i>	<i>247,244</i>	<i>230,590</i>	<i>224,977</i>	<i>222,124</i>	<i>225,557</i>	<i>198,475</i>	<i>247,244</i>	<i>608,823</i>	<i>903,248</i>
Non-Controlling Interest	(56,945)	31,442	(1,240)	30,346	7,469	10,461	5,293	7,943	8,383	(56,945)	7,469	68,017	32,080
Net Income	\$ 255,420	\$ (175,174)	\$ 243,335	\$ 232,870	\$ 239,775	\$ 220,129	\$ 219,684	\$ 214,181	\$ 217,174	\$ 255,420	\$ 239,775	\$ 540,806	\$ 871,168
Effective Tax Rate	36.5%	32.0%	32.0%	30.7%	32.9%	35.7%	32.1%	32.9%	33.5%	36.5%	32.9%	31.8%	33.6%
Dividends on preferred shares	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 21,400	\$ 21,400
Dividends on common shares	\$ 97,969	\$ 94,702	\$ 95,799	\$ 85,409	\$ 87,511	\$ 80,337	\$ 81,190	\$ 78,602	\$ 79,676	\$ 97,969	\$ 87,511	\$ 363,421	\$ 319,805
Number of common shares (avg.) (in thousands)	158,001	157,790	159,209	160,588	161,681	161,969	161,927	162,598	164,903	158,001	161,681	159,811	162,851

(unaudited)(thousands)(taxable equivalent basis)

Excluding specified items

Net Interest Income	470,034	357,385	325,975	271,920	319,841	365,961	431,656	318,586	297,736	470,034	319,841	1,275,121	1,413,939
Other Income	493,386	696,319	726,730	792,377	733,735	688,499	524,982	640,493	694,110	493,386	733,735	2,949,161	2,548,084
Gross Revenues	963,420	1,053,704	1,052,705	1,064,297	1,053,576	1,054,460	956,638	959,079	991,846	963,420	1,053,576	4,224,282	3,962,023
Provision for credit losses	32,060	29,154	22,215	23,408	28,365	22,785	15,649	21,665	17,217	32,060	28,365	103,142	77,316
Non-Interest Expenses	629,938	669,430	674,525	660,963	656,953	672,824	622,232	615,045	635,575	629,938	656,953	2,661,871	2,545,676
<i>Income Before Income Taxes</i>	<i>301,422</i>	<i>355,120</i>	<i>355,965</i>	<i>379,926</i>	<i>368,258</i>	<i>358,851</i>	<i>318,757</i>	<i>322,369</i>	<i>339,054</i>	<i>301,422</i>	<i>368,258</i>	<i>1,459,269</i>	<i>1,339,031</i>
Income taxes	121,173	106,342	113,870	116,710	121,014	128,261	102,110	105,914	113,497	121,173	121,014	457,936	449,782
<i>Income Before Non-Controlling Interest</i>	<i>180,249</i>	<i>248,778</i>	<i>242,095</i>	<i>263,216</i>	<i>247,244</i>	<i>230,590</i>	<i>216,647</i>	<i>216,455</i>	<i>225,557</i>	<i>180,249</i>	<i>247,244</i>	<i>1,001,333</i>	<i>889,249</i>
Non-Controlling Interest	(56,945)	31,442	(1,240)	30,346	7,469	10,461	5,293	7,943	8,383	(56,945)	7,469	68,017	32,080
Net Income	\$ 237,194	\$ 217,336	\$ 243,335	\$ 232,870	\$ 239,775	\$ 220,129	\$ 211,354	\$ 208,512	\$ 217,174	\$ 237,194	\$ 239,775	\$ 933,316	\$ 857,169
Effective Tax Rate	40.2%	29.9%	32.0%	30.7%	32.9%	35.7%	32.0%	32.9%	33.5%	40.2%	32.9%	31.4%	33.6%
Dividends on preferred shares	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 21,400	\$ 21,400
Dividends on common shares	\$ 97,969	\$ 94,702	\$ 95,799	\$ 85,409	\$ 87,511	\$ 80,337	\$ 81,190	\$ 78,602	\$ 79,676	\$ 97,969	\$ 87,511	\$ 363,421	\$ 319,805
Number of common shares (avg.) (in thousands)	158,001	157,790	159,209	160,588	161,681	161,969	161,927	162,598	164,903	158,001	161,681	159,811	162,851

Tax equivalent adjustment

Net interest income	22,817	39,331	20,436	23,429	44,309	61,827	23,487	16,960	19,355	22,817	44,309	127,505	121,629
Other income	24,780	15,874	22,883	18,373	20,248	22,665	24,985	9,647	1,346	24,780	20,248	77,378	58,643
Income taxes	47,597	55,205	43,319	41,802	64,557	84,492	48,472	26,607	20,701	47,597	64,557	204,883	180,272

Net income by sector of activities

Excluding specified items

Personal and Commercial Banking	129,746	113,723	124,404	111,828	122,942	115,682	124,664	104,893	110,829	129,746	122,942	472,897	456,068
Wealth Management	41,582	37,533	38,651	42,928	44,158	30,599	35,223	39,126	37,213	41,582	44,158	163,270	142,161
Financial Markets	73,132	89,970	93,619	91,357	83,034	76,481	63,703	68,573	87,038	73,132	83,034	357,980	295,795
Other Segments	(7,266)	(23,888)	(13,339)	(13,242)	(10,360)	(2,633)	(12,236)	(4,080)	(17,906)	(7,266)	(10,360)	(60,829)	(36,855)

RESULTS OF OPERATIONS AS A PERCENTAGE OF AVERAGE ASSETS

	2008				2007				2006				YTD		Full Year	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2008	2007	2007	2006			

(Taxable equivalent basis)

in % of average assets

Excluding specified items

Total revenues	3.12	3.33	3.24	3.36	3.49	3.82	3.56	3.73	3.80	3.12	3.49	3.35	3.73
Provision for credit losses	0.10	0.09	0.07	0.07	0.09	0.08	0.06	0.08	0.07	0.10	0.09	0.08	0.07
Non-interest expenses	2.04	2.12	2.07	2.09	2.17	2.44	2.31	2.39	2.43	2.04	2.17	2.11	2.40
Income taxes	0.39	0.34	0.35	0.37	0.40	0.47	0.38	0.41	0.43	0.39	0.40	0.36	0.42
Non-controlling interest	(0.18)	0.10	(0.00)	0.10	0.02	0.04	0.02	0.03	0.03	(0.18)	0.02	0.05	0.03
Net income	0.77	0.69	0.75	0.74	0.79	0.80	0.79	0.81	0.83	0.77	0.79	0.74	0.81
Average assets (\$000,000)	\$122,853	\$125,387	\$128,998	\$129,750	\$119,846	\$109,412	\$106,680	\$105,389	\$103,591	\$122,853	\$119,846	\$125,964	\$106,275
Average earning assets (\$000,000)	\$106,737	\$109,191	\$112,515	\$117,042	\$107,181	\$98,266	\$97,504	\$96,085	\$94,436	\$106,737	\$107,181	\$111,436	\$96,577

in % of Average Risk-Weighted Assets

Excluding specified items

Total revenues	7.59%	8.32%	8.11%	8.65%	8.68%	8.72%	7.88%	8.32%	8.46%	7.59%	8.68%	8.43%	8.34%
Net income	1.87%	1.72%	1.87%	1.89%	1.97%	1.82%	1.74%	1.81%	1.85%	1.87%	1.97%	1.86%	1.81%
Average Risk-Weighted Assets (\$000,000)	\$50,468	\$50,253	\$51,490	\$50,438	\$48,183	\$47,969	\$48,195	\$47,263	\$46,506	\$50,468	\$48,183	50,088	\$47,485

Prime rate	6.07%	6.25%	6.06%	6.00%	6.00%	6.00%	5.94%	5.41%	4.92%	6.07%	6.00%	6.08%	5.57%
B/A's 30 days	4.49%	4.84%	4.42%	4.32%	4.32%	4.33%	4.25%	3.72%	3.23%	4.49%	4.32%	4.48%	3.88%
Spread	1.58%	1.41%	1.64%	1.68%	1.68%	1.67%	1.68%	1.69%	1.69%	1.58%	1.68%	1.60%	1.68%

NET INCOME BY SECTOR OF ACTIVITIES (EXCLUDING SPECIFIED ITEMS)

	2008	2007				2006				YTD		Full Year
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2008	2007	2007

(in millions of dollars) (taxable equivalent basis)

Personal and Commercial Banking

Net interest income	342	345	348	332	344	347	342	322	333	342	344	1,369
Other income	204	208	207	193	196	199	202	189	184	204	196	804
Total Revenues	546	553	555	525	540	546	544	511	517	546	540	2,173
Operating expenses	309	345	334	321	312	337	331	319	318	309	312	1,312
Provision for credit losses	44	40	33	35	43	33	24	33	31	44	43	151
Earning before income taxes and non-controlling interest	193	168	188	169	185	176	189	159	168	193	185	710
Income taxes	63	54	64	57	62	60	65	54	57	63	62	237
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-
Net Income	130	114	124	112	123	116	124	105	111	130	123	473
Net interest margin	2.66%	2.72%	2.80%	2.82%	2.88%	2.92%	2.92%	2.87%	2.91%	2.66%	2.88%	2.80%
Expense ratio	56.6%	62.4%	60.2%	61.1%	57.8%	61.7%	60.8%	62.4%	61.5%	56.6%	57.8%	60.4%
Average loans and BA's	50,332	49,590	48,715	47,706	46,799	46,373	45,832	45,283	44,593	50,332	46,799	48,207
Average assets	51,078	50,288	49,396	48,356	47,441	47,094	46,540	46,001	45,336	51,078	47,441	48,874
Average deposits	31,108	30,485	30,094	29,477	29,558	28,937	28,795	28,031	28,216	31,108	29,558	29,907

Wealth Management

Net interest income	34	33	31	32	33	33	32	32	31	34	33	129
Other income	182	175	184	195	190	169	165	182	175	182	190	744
Total Revenues	216	208	215	227	223	202	197	214	206	216	223	873
Operating expenses	153	151	157	161	156	155	144	154	148	153	156	625
Provision for credit losses	-	-	-	-	-	-	-	-	-	-	-	-
Earning before income taxes and non-controlling interest	63	57	58	66	67	47	53	60	58	63	67	248
Income taxes	20	18	19	22	21	15	17	20	18	20	21	80
Non-controlling interest	2	1	1	1	2	2	1	1	2	2	2	5
Net Income	41	38	38	43	44	30	35	39	38	41	44	163
Expense ratio	70.8%	72.6%	73.0%	70.9%	70.0%	76.7%	73.1%	72.0%	71.8%	70.8%	70.0%	71.6%
Average loans and BA's	120	119	124	144	132	132	132	161	147	120	132	130
Average assets	693	676	650	677	644	646	654	752	705	693	644	662
Average deposits	8,129	7,733	7,378	7,484	7,618	7,754	8,337	7,781	6,601	8,129	7,618	7,554

Financial Markets

Net interest income	150	32	(4)	(46)	(9)	33	114	19	(12)	150	(9)	(27)
Other income	72	305	312	377	302	263	125	231	296	72	302	1,296
Total Revenues	222	337	308	331	293	296	239	250	284	222	293	1,269
Operating expenses	173	187	179	170	168	175	145	144	153	173	168	704
Provision for credit losses	-	-	-	-	-	1	1	1	1	-	-	-
Earning before income taxes and non-controlling interest	49	150	129	161	125	120	93	105	130	49	125	565
Income taxes	40	34	42	45	41	38	29	34	42	40	41	162
Non-controlling interest	(64)	26	(6)	24	1	5	-	2	2	(64)	1	45
Net Income	73	90	93	92	83	77	64	69	86	73	83	358
Expense ratio ⁽¹⁾	60.9%	61.0%	56.6%	55.2%	57.5%	60.1%	60.8%	58.3%	54.2%	60.9%	57.4%	57.6%
Average loans and BA's (Corporate banking only)	6,280	5,844	5,618	5,446	5,336	5,300	5,069	4,898	4,379	6,280	5,336	5,562
Average assets	84,256	88,068	90,929	92,746	83,802	73,742	69,426	68,270	65,550	84,256	83,802	88,854
Average deposits	33,199	34,860	35,729	34,220	32,973	30,003	29,523	28,815	25,203	33,199	32,973	34,447

⁽¹⁾ Adjusted for gains or losses attributable to third parties using the Innocap platform.

NET INCOME BY SECTOR OF ACTIVITIES (EXCLUDING SPECIFIED ITEMS)

	2008	2007				2006				YTD		Full Year
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2008	2007	2007

(in millions of dollars)

Other Segments

Net interest income	(79)	(92)	(69)	(70)	(92)	(109)	(80)	(71)	(74)	(79)	(92)	(323)
Other income	11	(8)	1	9	25	35	8	29	38	11	25	27
Total Revenues	(68)	(100)	(68)	(61)	(67)	(74)	(72)	(42)	(36)	(68)	(67)	(296)
Operating expenses	(5)	(13)	5	9	20	6	2	(2)	17	(5)	20	21
Provision for credit losses	(12)	(11)	(11)	(12)	(14)	(12)	(9)	(12)	(15)	(12)	(14)	(48)
Earning before income taxes and non-controlling interest	(51)	(76)	(62)	(58)	(73)	(68)	(65)	(28)	(38)	(51)	(73)	(269)
Income taxes	(49)	(55)	(54)	(49)	(68)	(69)	(57)	(29)	(24)	(49)	(68)	(226)
Non-controlling interest	5	4	4	5	5	4	4	5	4	5	5	18
Net Income (net loss)	(7)	(25)	(12)	(14)	(10)	(3)	(12)	(4)	(18)	(7)	(10)	(61)
Average loans and BA's	(13,787)	(13,687)	(12,486)	(12,473)	(12,432)	(12,310)	(11,716)	(11,260)	(9,975)	(13,787)	(12,432)	(12,772)
Average assets	(13,174)	(13,645)	(11,977)	(12,029)	(12,041)	(12,070)	(9,940)	(9,634)	(8,000)	(13,174)	(12,041)	(12,426)
Average deposits	(609)	(110)	(507)	(428)	(416)	(577)	(271)	(223)	(149)	(609)	(416)	(365)

Total

Net interest income	447	318	306	248	276	304	408	302	278	447	276	1,148
Other income	469	680	704	774	713	666	500	631	693	469	713	2,871
Total Revenues	916	998	1,010	1,022	989	970	908	933	971	916	989	4,019
Operating expenses	630	670	675	661	656	673	622	615	636	630	656	2,662
Provision for credit losses	32	29	22	23	29	22	16	22	17	32	29	103
Earning before income taxes and non-controlling interest	254	299	313	338	304	275	270	296	318	254	304	1,254
Income taxes	74	51	71	75	56	44	54	79	93	74	56	253
Non-controlling interest	(57)	31	(1)	30	8	11	5	8	8	(57)	8	68
Net Income	237	217	243	233	240	220	211	209	217	237	240	933
Expense ratio (teb) ⁽¹⁾	61.4%	65.4%	63.6%	63.5%	62.4%	64.1%	65.1%	64.3%	64.2%	61.4%	62.4%	63.7%
Average loans and BA's	50,711	51,120	50,791	50,197	49,518	49,613	49,822	49,509	48,629	50,711	49,518	50,408
Average assets	122,853	125,387	128,998	129,750	119,846	109,412	106,680	105,389	103,591	122,853	119,846	125,964
Average deposits	71,827	72,967	72,695	70,753	69,732	66,117	66,385	64,403	59,871	71,827	69,732	71,543

⁽¹⁾ Adjusted for gains or losses attributable to third parties using the Innocap platform.

NET INCOME BY SECTOR OF ACTIVITIES

Specified Items (in millions of dollars)	Q1 2008			Q4 2007					Q2 2006	Q3 2006
	Adjustment to ABCP	Nassau gain	Total	Adjustment to ABCP			Altamira	Total	Sale Shareholder activity	MasterCard gain
	Other	Other		Financial Markets	Other	Sub-total	Wealth Management		Other	Other
Net interest income	(19)	-	(19)	(2)	(19)	(21)	-	(21)	-	-
Other income	-	32	32	(42)	(533)	(575)	-	(575)	8	13
Total Revenues	(19)	32	13	(44)	(552)	(596)	-	(596)	8	13
Operating expenses	2	-	2	(19)	(24)	(43)	13	(30)	-	-
Provision for credit losses	-	-	-	-	-	-	-	-	-	-
Earning before income taxes and non-controlling interest	(21)	32	11	(25)	(528)	(553)	(13)	(566)	8	13
Income taxes	(7)	-	(7)	(8)	(164)	(172)	(2)	(174)	3	4
Non-controlling interest	-	-	-	-	-	-	-	-	-	-
Net income	(14)	32	18	(17)	(364)	(381)	(11)	(392)	5	9

Notes: Net interest impact on ABCP represents funding cost.
Adjustment for Altamira includes \$7 million of restructuring charge and \$6M of reduction in value of intangible.

	2008		2007				2006				Full year	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2007	2006	
<i>(in millions of dollars)</i>												
Total												
Net interest income	428	297	306	248	276	304	408	302	278	1,127	1,292	
Other income	501	105	704	774	713	666	513	639	693	2,296	2,511	
Total Revenues	929	402	1,010	1,022	989	970	921	941	971	3,423	3,803	
Operating expenses	632	640	675	661	656	673	622	615	636	2,632	2,546	
Provision for credit losses	32	29	22	23	29	22	16	22	17	103	77	
Earning before income taxes and non-controlling interest	265	(267)	313	338	304	275	283	304	318	688	1,180	
Income taxes	67	(123)	71	75	56	44	58	82	93	79	277	
Non-controlling interest	(57)	31	(1)	30	8	11	5	8	8	68	32	
Net Income	255	(175)	243	233	240	220	220	214	217	541	871	
Expense ratio (teb) ⁽¹⁾	61.4%	65.4%	63.6%	63.5%	62.4%	64.1%	65.1%	64.3%	64.2%	73.5%	64.1%	
Average loans and BA's	50,711	51,120	50,791	50,197	49,518	49,613	49,822	49,509	48,629	50,408	49,392	
Average assets	122,853	125,387	128,998	129,750	119,846	109,412	106,680	105,389	103,591	125,964	106,275	
Average deposits	71,827	72,967	72,695	70,753	69,732	66,117	66,385	64,403	59,871	71,543	64,192	

⁽¹⁾ Adjusted for gains or losses attributable to third parties using the Innocap platform.

REVENUES (EXCLUDING SPECIFIED ITEMS)

	2008	2007				2006				YTD		Full Year	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2008	2007	2007	2006

(unaudited) (thousands) (taxable equivalent basis)

Net Interest Income

<i>Interest Income</i>													
Loans	\$ 762,164	\$ 767,867	\$ 784,531	\$ 749,725	\$ 728,707	\$ 719,061	\$ 686,434	\$ 627,694	\$ 614,238	\$762,164	\$728,707	\$ 3,030,830	\$ 2,647,427
Securities	292,430	285,967	326,970	407,588	335,362	260,323	235,903	260,073	203,948	292,430	335,362	1,355,887	960,247
Deposits with regulated financial institutions	93,295	101,867	103,601	87,335	130,126	95,735	83,397	76,900	57,986	93,295	130,126	422,929	314,018
Total Interest Income	1,147,889	1,155,701	1,215,102	1,244,648	1,194,195	1,075,119	1,005,734	964,667	876,172	1,147,889	1,194,195	4,809,646	3,921,692
<i>Interest Expense</i>													
Deposits	518,122	654,774	662,076	636,100	658,821	558,224	433,319	446,585	438,586	518,122	658,821	2,611,771	1,876,714
Bank debentures	20,363	24,875	25,401	24,547	25,011	21,753	22,509	21,805	24,147	20,363	25,011	99,834	90,214
Other	162,187	157,998	222,086	335,510	234,831	191,008	141,737	194,651	135,058	162,187	234,831	950,425	662,454
Total Interest Expense	700,672	837,647	909,563	996,157	918,663	770,985	597,565	663,041	597,791	700,672	918,663	3,662,030	2,629,382
Tax equivalent adjustment	22,817	39,331	20,436	23,429	44,309	61,827	23,487	16,960	19,355	22,817	44,309	127,505	121,629
Net Interest Income	470,034	357,385	325,975	271,920	319,841	365,961	431,656	318,586	297,736	470,034	319,841	1,275,121	1,413,939

Other Income

Deposits and payment service charges	\$ 51,733	\$ 54,207	\$ 54,480	\$ 52,177	\$ 52,582	\$ 53,275	\$ 52,909	\$ 51,986	\$ 49,641	\$ 51,733	\$ 52,582	\$ 213,446	\$ 207,811
Commissions on loans and bankers' acceptances	44,859	50,027	51,937	47,899	46,531	49,702	56,251	48,544	51,030	44,859	46,531	196,394	205,527
Insurance revenues	34,465	30,094	26,913	27,720	29,771	23,794	30,911	30,417	28,000	34,465	29,771	114,498	113,122
Securities brokerage commissions	58,886	59,972	66,580	71,356	68,864	61,782	58,750	69,876	66,244	58,886	68,864	266,772	256,652
Underwriting and advisory fees	95,123	75,589	98,854	107,988	98,214	105,835	80,134	94,408	92,356	95,123	98,214	380,645	372,733
Foreign exchange revenues	29,407	27,972	25,621	20,145	29,108	25,721	24,577	24,377	23,355	29,407	29,108	102,846	98,030
Card service revenues	9,743	3,025	11,494	9,839	9,521	6,860	9,359	9,280	8,849	9,743	9,521	33,879	34,348
Trust services	40,491	48,439	52,565	52,689	48,241	39,568	45,320	45,377	42,989	40,491	48,241	201,934	173,254
Mutual funds	38,102	39,302	40,611	37,644	37,136	33,774	34,452	33,610	33,917	38,102	37,136	154,693	135,753
Securitization	46,030	44,463	39,001	47,857	47,911	57,974	37,688	38,532	39,927	46,030	47,911	179,232	174,121
Profit & Loss on trading	(42,985)	155,639	119,357	202,106	151,428	110,710	(14,234)	111,596	167,405	(42,985)	151,428	628,530	375,477
Profit & Loss other than trading	30,467	32,743	43,100	21,085	28,798	49,750	47,588	28,323	41,816	30,467	28,798	125,726	167,477
Other	57,065	74,847	96,217	93,872	85,630	69,754	61,277	54,167	48,581	57,065	85,630	350,566	233,779
Total	\$ 493,386	\$ 696,319	\$ 726,730	\$ 792,377	\$ 733,735	\$ 688,499	\$ 524,982	\$ 640,493	\$ 694,110	\$ 493,386	\$ 733,735	\$ 2,949,161	\$ 2,548,084
As a % of total revenues	51.2%	66.1%	69.0%	74.5%	69.6%	65.3%	54.9%	66.8%	70.0%	51.2%	69.6%	69.8%	64.3%

(unaudited) (thousands)

Trading revenues

Net Interest Income	\$ 115,969	\$ (4,121)	\$ (37,758)	\$ (63,833)	\$ (38,940)	\$ 7,490	\$ 80,804	\$ (25,893)	\$ (74,178)	\$ 115,969	\$ (38,940)	\$ (144,652)	\$ (11,777)
Other Income	(42,985)	155,639	119,357	202,106	151,428	110,710	(14,234)	111,596	167,405	(42,985)	151,428	628,530	375,477
Non-controlling interest - Innocap	62,151	(30,317)	8,271	(23,084)	(1,006)	(4,972)	(461)	(2,862)	(1,535)	62,151	(1,006)	(46,136)	(9,830)
Total	\$ 135,135	\$ 121,201	\$ 89,870	\$ 115,189	\$ 111,482	\$ 113,228	\$ 66,109	\$ 82,841	\$ 91,692	\$ 135,135	\$ 111,482	\$ 437,742	\$ 353,870

Trading revenues by product

<i>Financial Markets</i>													
Equity	(13,192)	68,957	76,656	95,679	85,789	89,785	52,839	54,618	68,792	(13,192)	85,789	327,081	266,034
Fixed income	95,013	57,471	13,202	18,296	5,435	11,926	12,245	13,736	13,393	95,013	5,435	94,404	51,300
Commodity and foreign exchange	42,777	(10,823)	(2,489)	(1,048)	16,879	4,823	1,114	11,661	6,776	42,777	16,879	2,519	24,374
Trading revenues - Financial Markets	124,598	115,605	87,369	112,927	108,103	106,534	66,198	80,015	88,961	124,598	108,103	424,004	341,708
Other	10,537	5,596	2,501	2,262	3,379	6,694	(89)	2,826	2,731	10,537	3,379	13,738	12,162
Total Trading revenues	135,135	121,201	89,870	115,189	111,482	113,228	66,109	82,841	91,692	135,135	111,482	437,742	353,870

NON-INTEREST EXPENSES (EXCLUDING SPECIFIED ITEMS)

	2008		2007				2006				YTD		Full Year	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2008	2007	2007	2006	
<i>(unaudited) (thousands)</i>														
Non-Interest Expenses														
Salaries and Staff benefits														
Salaries	\$ 234,078	\$ 237,483	\$ 232,146	\$ 212,869	\$ 226,813	\$ 242,919	\$ 210,911	\$ 207,158	\$ 208,587	\$ 234,078	\$ 226,813	\$ 909,311	\$ 869,575	
Commissions	87,797	91,531	104,243	111,558	101,603	96,806	87,959	97,411	110,469	87,797	101,603	408,935	392,645	
Pension plan and other staff benefits	52,276	52,713	56,179	55,188	61,102	48,282	54,898	53,771	60,280	52,276	61,102	225,182	217,231	
Total Compensation	374,151	381,727	392,568	379,615	389,518	388,007	353,768	358,340	379,336	374,151	389,518	1,543,428	1,479,451	
Occupancy and Technology														
Rent	21,311	19,110	21,602	22,546	20,111	18,230	21,352	21,781	19,654	21,311	20,111	83,369	81,017	
Taxes & insurance	3,624	3,845	3,641	4,137	3,998	3,937	4,186	4,163	4,130	3,624	3,998	15,621	16,416	
Maintenance, lighting, heating	6,870	7,575	7,218	7,227	6,587	7,244	5,945	6,866	6,632	6,870	6,587	28,607	26,687	
Technology	87,490	95,338	91,471	93,547	90,335	85,200	90,607	88,624	93,410	87,490	90,335	370,691	357,841	
Depreciation	19,846	22,772	18,949	18,461	17,849	20,450	16,374	16,363	16,033	19,846	17,849	78,031	69,220	
Total Occupancy and Technology	139,141	148,640	142,881	145,918	138,880	135,061	138,464	137,797	139,859	139,141	138,880	576,319	551,181	
Other Expenses														
Professional fees	41,961	54,916	50,246	46,767	39,644	41,209	38,719	31,657	29,397	41,961	39,644	191,573	140,982	
Taxes on capital & salaries	11,885	2,066	16,651	15,546	16,078	17,000	16,697	16,144	16,974	11,885	16,078	50,341	66,815	
Travel & business development	17,579	27,899	20,590	27,214	21,878	27,874	23,135	27,325	21,930	17,579	21,878	97,581	100,264	
Other	45,221	54,182	51,589	45,903	50,955	63,673	51,449	43,782	48,079	45,221	50,955	202,629	206,983	
Total Other Expenses	116,646	139,063	139,076	135,430	128,555	149,756	130,000	118,908	116,380	116,646	128,555	542,124	515,044	
TOTAL NON-INTEREST EXPENSES	\$ 629,938	\$ 669,430	\$ 674,525	\$ 660,963	\$ 656,953	\$ 672,824	\$ 622,232	\$ 615,045	\$ 635,575	\$ 629,938	\$ 656,953	\$ 2,661,871	\$ 2,545,676	

PROVISION FOR CREDIT LOSSES

	2008	2007				2006				YTD		Full Year	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2008	2007	2007	2006
<i>(millions of dollars)</i>													
Retail	11	10	9	11	11	10	9	10	8	11	11	41	37
Credit card	17	16	16	17	17	16	15	16	16	17	17	66	63
Commercial	16	13	8	7	15	7	-	7	8	16	15	43	22
Corporate	-	-	-	-	-	1	1	1	1	-	-	-	4
Real estate	-	1	-	-	-	-	-	-	(2)	-	-	1	(2)
Other	-	-	-	-	(3)	(1)	-	-	-	-	(3)	(3)	(1)
Credit card securitization	(12)	(11)	(11)	(12)	(11)	(11)	(9)	(12)	(14)	(12)	(11)	(45)	(46)
General	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	32	29	22	23	29	22	16	22	17	32	29	103	77

CONDENSED CONSOLIDATED BALANCE SHEET

	2008		2007				2006				End Of Year	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2007	2006	
<i>(unaudited)(millions of dollars)</i>												
Assets												
Cash and deposits with financial institutions	\$ 4,377	\$ 3,328	\$ 9,462	\$ 9,670	\$ 10,816	\$ 10,879	\$ 9,286	\$ 9,693	\$ 9,484	\$ 3,328	\$ 10,879	
Securities	43,030	39,270	43,805	47,971	43,564	38,678	35,420	36,510	30,072	39,270	38,678	
Securities purchased under reverse repurchase agreements	8,855	5,966	8,296	13,146	9,812	7,592	5,954	7,549	7,980	5,966	7,592	
Loans												
Residential mortgages	15,042	15,893	15,999	15,140	14,945	15,384	15,596	15,046	15,509	15,893	15,384	
Personal and credit cards	13,773	13,104	12,727	12,062	11,565	11,303	10,980	10,703	10,138	13,104	11,303	
Business and government	18,747	18,963	19,071	21,797	17,991	20,258	19,527	20,099	19,500	18,963	20,258	
Total Loans	47,562	47,960	47,797	48,999	44,501	46,945	46,103	45,848	45,147	47,960	46,945	
Customers' liability under bankers' acceptances	4,533	4,085	3,954	4,001	4,162	3,725	3,598	3,677	3,468	4,085	3,725	
Other assets	11,767	12,476	10,039	11,385	8,547	8,982	8,191	7,806	9,021	12,476	8,982	
Total Assets	\$120,124	\$113,085	\$123,353	\$135,172	\$121,402	\$116,801	\$108,552	\$111,083	\$105,172	\$ 113,085	\$ 116,801	
Liabilities												
Deposits												
Personal	\$ 31,522	\$ 30,215	\$ 29,666	\$ 29,751	\$ 29,628	\$ 29,092	\$ 29,100	\$ 28,185	\$ 27,017	\$ 30,215	\$ 29,092	
Business and government	35,510	34,022	33,408	34,653	30,838	34,223	29,322	30,930	29,641	34,022	34,223	
Deposit-taking institutions	6,090	6,561	8,206	11,238	10,699	8,602	9,594	10,918	8,177	6,561	8,602	
Total Deposits	73,122	70,798	71,280	75,642	71,165	71,917	68,016	70,033	64,835	70,798	71,917	
Others												
Acceptances	4,533	4,085	3,954	4,001	4,162	3,725	3,598	3,677	3,468	4,085	3,725	
Other liabilities	35,964	31,960	41,307	48,582	39,160	34,922	30,637	31,202	30,643	31,960	34,922	
Subordinated debentures	1,656	1,605	1,882	1,935	1,942	1,449	1,599	1,599	1,600	1,605	1,449	
Total Others	42,153	37,650	47,143	54,518	45,264	40,096	35,834	36,478	35,711	37,650	40,096	
Shareholders' equity												
Preferred shares	400	400	400	400	400	400	400	400	400	400	400	
Common shares	1,590	1,575	1,567	1,576	1,583	1,566	1,563	1,558	1,573	1,575	1,566	
Contributed surplus	33	32	33	29	24	21	19	17	15	32	21	
Retained earnings	2,941	2,793	3,070	3,021	3,003	2,801	2,720	2,597	2,638	2,793	2,801	
Accumulated other comprehensive income (loss)	(115)	(163)	(140)	(14)	(37)	-	-	-	-	(163)	-	
Total Shareholders' equity	4,849	4,637	4,930	5,012	4,973	4,788	4,702	4,572	4,626	4,637	4,788	
Total Liabilities & Shareholders' Equity	\$120,124	\$113,085	\$123,353	\$135,172	\$121,402	\$116,801	\$108,552	\$111,083	\$105,172	\$ 113,085	\$ 116,801	
Mortgage securitization	\$ 7,534	\$ 6,624	\$ 6,076	\$ 6,286	\$ 6,262	\$ 5,761	\$ 5,313	\$ 5,507	\$ 4,937	\$ 6,624	\$ 5,761	
Mortgage loans sold to third parties	\$ 414	\$ 450	\$ 487	\$ 533	\$ 573	\$ 529	\$ 566	\$ 614	\$ 652	\$ 450	\$ 529	
Credit card securitization	\$ 800	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	
Direct loans securitization	\$ -	\$ -	\$ -	\$ 42	\$ 78	\$ 126	\$ 150	\$ 182	\$ 218	\$ -	\$ 126	
Mutual funds	\$ 12,381	\$ 12,955	\$ 13,532	\$ 13,391	\$ 12,781	\$ 11,907	\$ 11,438	\$ 11,786	\$ 11,657	\$ 12,955	\$ 11,907	
Securities - excess of market value over book	\$ 121	\$ 148	\$ 206	\$ 230	\$ 162	\$ 126	\$ (28)	\$ 33	\$ 53	\$ 148	\$ 126	
Equity Securities - excess of market value over book	\$ 122	\$ 161	\$ 252	\$ 234	\$ 174	\$ 129	\$ 10	\$ 80	\$ 82	\$ 161	\$ 129	
Number of shares outstanding (000's)	158,141	157,806	157,858	159,418	161,367	161,512	161,918	161,882	164,313	157,806	161,512	
Domestic Gap < 1 year	(618)	(984)	(1,477)	(927)	(1,239)	(1,113)	982	(1,844)	124	(984)	(1,113)	
> 1 year	711	988	1,484	924	1,234	1,122	(991)	1,840	2,664	988	1,122	

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	2008	2007				2006				YTD		Full Year	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2008	2007	2007	2006
<i>(unaudited)(millions of dollars)</i>													
Opening balance	4,637	4,930	5,012	4,973	4,788	4,702	4,572	4,626	4,597	4,637	4,788	4,788	4,597
Net income	255	(175)	243	233	240	220	220	214	217	255	240	541	871
Issuance of common shares	15	10	9	16	23	9	5	11	25	15	23	58	50
Repurchase of common shares													
Repurchase of common shares	-	(2)	(18)	(22)	(7)	(5)	-	(26)	(17)	-	(7)	(49)	(48)
Premium paid on common shares purchased for cancellation	-	(13)	(93)	(121)	(39)	(29)	-	(142)	(90)	-	(39)	(266)	(261)
Dividends													
Common shares	(98)	(95)	(96)	(85)	(88)	(80)	(82)	(78)	(80)	(98)	(88)	(364)	(320)
Preferred shares	(5)	(5)	(5)	(6)	(5)	(5)	(5)	(6)	(5)	(5)	(5)	(21)	(21)
Impact of initial adoption on retained earnings of new accounting standards on financial instruments	-	1	-	(1)	2	-	-	-	-	-	2	2	-
Stock options expense	2	2	3	6	5	5	2	3	2	2	5	16	12
Stock options exercised	(1)	(2)	-	-	(3)	(3)	-	(1)	-	(1)	(3)	(5)	(4)
Impact of shares acquired / sold for trading purposes	-	-	-	(1)	1	(1)	-	-	-	-	1	-	(1)
Other adjustments, net of income taxes	(4)	9	1	(3)	1	(15)	(5)	(1)	-	(4)	1	8	(21)
Unrealized foreign exchange gains (losses), net of income taxes	-	-	-	-	-	(10)	(5)	(28)	(23)	-	-	-	(66)
Reclassification of unrealized foreign CTA to AOCI	-	-	-	-	92	-	-	-	-	-	92	92	-
Impact of initial adoption of financial instruments standards	-	1	-	(1)	(71)	-	-	-	-	-	(71)	(71)	-
Other comprehensive income (loss), net of income taxes	48	(24)	(126)	24	34	-	-	-	-	48	34	(92)	-
Closing balance	4,849	4,637	4,930	5,012	4,973	4,788	4,702	4,572	4,626	4,849	4,973	4,637	4,788
Shareholders' equity													
Preferred shares	400	400	400	400	400	400	400	400	400	400	400	400	400
Common shares	1,590	1,575	1,567	1,576	1,583	1,566	1,563	1,558	1,573	1,590	1,583	1,575	1,566
Contributed surplus	33	32	33	29	24	21	19	17	15	33	24	32	21
Unrealized foreign currency translation adjustment	-	-	-	-	-	(92)	(82)	(77)	(49)	-	-	-	(92)
Retained earnings	2,941	2,793	3,070	3,021	3,003	2,893	2,802	2,674	2,687	2,941	3,003	2,793	2,893
Accumulated other comprehensive income (loss)	(115)	(163)	(140)	(14)	(37)	-	-	-	-	(115)	(37)	(163)	-
Closing balance	4,849	4,637	4,930	5,012	4,973	4,788	4,702	4,572	4,626	4,849	4,973	4,637	4,788

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2008	2007			
	Q1	Q4	Q3	Q2	Q1
<i>(unaudited)(millions of dollars)</i>					
Net income	255	(175)	243	233	240
Other comprehensive income (loss), net of income taxes					
Net unrealized gains (losses) on translating financial statements of self-sustaining foreign operations	101	(195)	(80)	(103)	79
Impact of hedging net foreign currency translation gains or losses	(79)	159	40	59	(47)
Net change in unrealized foreign currency translation gains and losses, net of hedging activities	22	(36)	(40)	(44)	32
Net unrealized gains (losses) on available for sale financial assets	(17)	(18)	(20)	67	22
Reclassification to net income of (gains) losses on available for sale financial assets	(15)	10	(25)	5	(1)
Net change in unrealized gains and losses on available for sale financial assets	(32)	(8)	(45)	72	21
Net gains (losses) on derivatives designated as cash flow hedges	54	15	(43)	(5)	(21)
Reclassification to net income of (gains) losses on derivatives designated as cash flow hedges	4	5	2	1	2
Net change in gains and losses on derivatives designated as cash flow hedges	58	20	(41)	(4)	(19)
Total other comprehensive income (loss), net of income taxes	48	(24)	(126)	24	34
COMPREHENSIVE INCOME	303	(199)	117	257	274

 **ASSETS UNDER ADMINISTRATION / MANAGEMENT**

	National Bank Trust Inc.	National Bank Financial & Cie.	National Bank Securities Inc.	Altamira	Natcan Investment Management Inc.	National Bank Direct Brokerage	Bank excluding subsidiaries	Total	
								2008	2007

(millions of dollars)

as at January 31, 2008

Assets under administration									
Institutional	33,912	12,596	-	-	-	-	-	46,508	60,897
Personal	-	97,912	-	-	-	9,942	-	107,854	101,753
Mutual funds	21,606	-	8,295	4,086	-	-	-	33,987	25,694
Mortgage loans sold to third parties	-	-	-	-	-	-	7,534	7,534	6,262
Total assets under administration	55,518	110,508	8,295	4,086	-	9,942	7,534	195,883	194,606
Assets under management									
Personal	6,324	-	-	-	-	-	-	6,324	5,320
Managed portfolios	-	3,591	-	-	12,700	-	-	16,291	18,885
Mutual funds	-	-	-	-	15,337	-	-	15,337	16,567
Total assets under management	6,324	3,591	-	-	28,037	-	-	37,952	40,772
Total assets under administration / management	61,842	114,099	8,295	4,086	28,037	9,942	7,534	233,835	235,378

Total	
2007	2006

as at January 31, 2007

Assets under administration									
Institutional	48,839	12,058	-	-	-	-	-	60,897	65,151
Personal	-	91,627	-	-	-	10,126	-	101,753	93,718
Mutual funds	12,913	-	8,569	4,212	-	-	-	25,694	23,502
Mortgage loans sold to third parties	-	-	-	-	-	-	6,262	6,262	5,589
Total assets under administration	61,752	103,685	8,569	4,212	-	10,126	6,262	194,606	187,960
Assets under management									
Personal	5,320	-	-	-	-	-	-	5,320	4,640
Managed portfolios	-	3,600	-	-	15,285	-	-	18,885	19,579
Mutual funds	-	-	-	-	16,567	-	-	16,567	15,617
Total assets under management	5,320	3,600	-	-	31,852	-	-	40,772	39,836
Total assets under administration / management	67,072	107,285	8,569	4,212	31,852	10,126	6,262	235,378	227,796

IMPAIRED LOANS

2008	2007					2006			
Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	

(\$ millions)

Gross Impaired Loans

Retail	58.3	53.6	49.3	56.3	50.3	48.7	46.7	45.0	41.9
Commercial	146.3	136.1	126.6	123.0	130.7	126.6	106.4	136.7	147.5
Corporate	30.6	53.6	54.4	54.7	56.2	56.4	57.9	57.2	63.0
Real estate	11.1	3.7	-	-	-	-	-	-	3.4
Treasury	2.3	2.2	2.1	2.2	2.3	2.2	3.3	3.3	3.4
Other	-	-	-	-	-	-	-	-	-
Total Gross Impaired Loans	248.6	249.2	232.4	236.2	239.5	233.9	214.3	242.2	259.2
As a % of loans and acceptances	0.5%	0.5%	0.4%	0.4%	0.5%	0.5%	0.4%	0.5%	0.5%

Net Impaired Loans

Retail	44.4	39.2	34.6	35.4	30.5	30.4	27.3	25.6	22.5
Commercial	67.2	65.5	53.3	54.3	58.6	62.6	44.9	60.1	63.7
Corporate	16.9	19.4	20.0	18.7	20.7	20.3	24.1	23.2	25.1
Real estate	8.8	2.9	-	-	-	-	-	-	-
Treasury	2.2	2.1	2.0	2.1	2.2	2.1	2.1	2.0	2.1
General allowance	(308.0)	(308.0)	(308.0)	(308.0)	(308.0)	(308.0)	(308.0)	(308.0)	(308.0)
Total Impaired Loans, net of specific and general allowances	(168.5)	(178.9)	(198.1)	(197.5)	(196.0)	(192.6)	(209.6)	(197.1)	(194.6)
As a % of loans and acceptances	-0.3%	-0.3%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%

FORMATION OF GROSS IMPAIRED LOANS & ALLOWANCE FOR CREDIT LOSSES

	2008	2007				2006				YTD		Full Year	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2008	2007	2007	2006

(\$ millions)

Formation of Gross Impaired Loans

Opening balance	249	232	236	239	234	214	242	259	260	249	234	234	260
Write-off	(43)	(28)	(22)	(21)	(17)	(20)	(30)	(36)	(16)	(43)	(17)	(88)	(102)
Formation	43	45	18	18	22	40	2	19	15	43	22	103	76
Closing balance	249	249	232	236	239	234	214	242	259	249	239	249	234

Allowance for Credit Losses

Allowances at beginning	428	430	434	435	426	424	439	454	451	428	426	426	451
Provision for credit losses	32	29	22	23	29	22	16	22	17	32	29	103	77
Write-offs	(59)	(44)	(38)	(38)	(34)	(37)	(45)	(52)	(32)	(59)	(34)	(154)	(166)
Recoveries	16	13	12	14	14	17	14	15	18	16	14	53	64
Allowances at end	417	428	430	434	435	426	424	439	454	417	435	428	426

RISK-ADJUSTED CAPITAL RATIOS

	2008	2007				2006			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<i>(millions of dollars)</i>									
Tier I capital	Basel II	Basel I							
Common shareholders' equity	\$4,406	\$4,220	\$4,526	\$4,521	\$4,550	\$4,388	\$4,302	\$4,172	\$4,226
Non-cum. preferred shares, permanent	400	400	400	400	400	400	400	400	400
Non-controlling interest	18	18	20	17	10	9	8	118	137
Innovative instruments	721	508	545	558	578	562	565	336	342
Less: goodwill	702	703	680	683	684	683	686	662	662
Less: Trading in short positions of own shares (gross)	1	1	3	4	3	2	-	4	6
Less : Securitization related deductions (2)	27								
Total Tier I	\$4,815	\$4,442	\$4,808	\$4,809	\$4,851	\$4,674	\$4,589	\$4,360	\$4,437
Tier II capital									
Subordinated debentures (1)	1,644	1,641	1,947	1,948	1,949	1,949	1,599	1,599	1,600
General allowance for credit risk	308	308	308	308	308	308	308	308	308
Unrealized gains on available-for-sale equity securities	48	80	104	121	49	-	-	-	-
Innovative instrument in excess of Tier 1	205	-	-	-	-	-	-	-	-
Total Tier II	\$2,205	\$2,029	\$2,359	\$2,377	\$2,306	\$2,257	\$1,907	\$1,907	\$1,908
Other deductions	377	355	320	311	312	324	450	422	415
TOTAL CAPITAL	\$6,643	\$6,116	\$6,847	\$6,875	\$6,845	\$6,607	\$6,046	\$5,845	\$5,930
Risk-adjusted balance sheet items									
Cash resources	\$713	\$488	\$1,790	\$1,837	\$2,066	\$2,077	\$1,761	\$1,893	\$1,651
Securities	3,244	3,050	2,119	2,567	2,465	2,083	2,828	2,033	2,030
Mortgage loans	4,106	6,205	6,311	5,943	5,734	5,647	5,787	5,470	5,282
Other loans	19,735	22,626	23,020	24,892	21,437	22,035	22,855	23,367	23,049
Other assets	6,069	5,371	6,080	5,183	6,106	5,549	5,514	5,363	5,275
Total Risk-adjusted balance sheet items	\$33,868	\$37,740	\$39,320	\$40,422	\$37,808	\$37,391	\$38,745	\$38,126	\$37,287
Risk-adjusted off-balance sheet items									
Letters of guarantee and documentary credit	1,409	1,107	1,078	1,176	1,110	1,096	1,156	1,059	1,082
Commitments to extend credit	4,049	5,174	4,693	4,770	5,240	5,085	5,009	4,767	4,794
Interest rate contracts	209	96	126	106	112	122	110	95	105
Foreign exchange contracts	463	428	312	250	320	234	217	218	249
Equity contracts	1,348	1,155	845	687	603	480	413	319	388
Commodity contracts	114	68	33	18	12	19	88	48	65
Total Risk-adjusted off-balance sheet items	\$7,591	\$8,028	\$7,087	\$7,007	\$7,397	\$7,036	\$6,993	\$6,506	\$6,683
Operational Risk (2)	\$5,913								
Risk-adjusted market risk items	\$4,227	\$3,568	\$4,763	\$4,380	\$3,862	\$2,871	\$2,902	\$3,117	\$2,806
TOTAL RISK-ADJUSTED ASSETS	\$51,599	\$49,336	\$51,170	\$51,809	\$49,067	\$47,298	\$48,640	\$47,749	\$46,776
Risk-adjusted ratios									
Tier I	9.3%	9.0%	9.4%	9.3%	9.9%	9.9%	9.4%	9.1%	9.5%
Total	12.9%	12.4%	13.4%	13.3%	14.0%	14.0%	12.4%	12.2%	12.7%

(1) Taking into account the issuance of \$500 million of subordinated debentures on November 2, 2006 for the fourth quarter 2006.

(2) Basel II beginning in Q1-2008 (for informational purpose with Basel I methodology Tier 1 ratio is 9.8% and Total capital ratio is 13.5% for Q1-08)

FINANCIAL DERIVATIVES

	2008	2007				2006			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<i>(millions of dollars)</i>									
FOREIGN EXCHANGE RELATED CONTRACTS									
Swaps	37,689	32,542	37,299	36,931	43,093	43,164	46,248	41,495	47,796
Options - purchased	5,465	7,345	9,289	9,895	10,191	9,094	8,820	6,885	6,537
- sold	5,123	7,063	13,121	13,397	13,463	11,651	13,082	9,031	7,318
Futures	9,523	6,395	9,040	13,494	10,375	7,304	6,636	3,886	6,829
Total Notional Amount	57,801	53,345	68,749	73,717	77,122	71,213	74,786	61,297	68,480
Replacement cost (1)	512	1,094	528	383	410	287	325	414	504
Future credit risk	664	649	664	612	736	685	542	543	549
Credit equivalent (2)	1,177	1,744	1,192	995	1,147	972	868	957	1,053
Risk-weighted equivalent	485	428	312	250	320	234	217	218	249
INTEREST RATE RELATED CONTRACTS									
Swaps	154,629	126,792	120,725	111,831	114,713	118,597	127,579	113,989	109,122
Options - purchased	32,221	33,425	59,674	95,369	80,729	116,255	77,385	72,863	76,552
- sold	32,309	34,111	80,460	100,575	71,467	111,357	87,304	76,949	76,786
Futures	9,675	6,909	6,573	8,679	14,200	9,732	5,780	2,293	11,000
Total Notional Amount	228,834	201,237	267,432	316,454	281,109	355,941	298,048	266,094	273,460
Replacement cost (1)	439	193	251	162	190	243	258	224	266
Future credit risk	415	398	367	334	329	346	361	313	312
Credit equivalent (2)	853	591	618	496	519	589	619	537	578
Risk-weighted equivalent	210	96	126	106	112	122	110	95	105
FINANCIAL FUTURES									
Total Notional Amount	27,207	36,697	54,019	68,360	69,469	31,017	35,323	37,284	44,472
EQUITY AND COMMODITY CONTRACTS									
Total Notional Amount	56,412	51,640	50,640	43,148	41,463	36,798	25,254	15,894	26,980
Replacement cost (1)	974	1,439	1,046	1,053	769	671	605	636	684
Future credit risk	1,236	1,767	1,655	1,503	1,430	1,224	1,060	453	734
Credit equivalent (2)	2,210	3,205	2,701	2,556	2,199	1,895	1,665	1,088	1,418
Risk-weighted equivalent	1,340	1,128	878	705	615	499	501	367	453
CREDIT DEFAULT SWAPS (3)									
Total Notional Amount	13,192	8,929							
Replacement cost (1)	75	48							
Future credit risk	608	466							
Credit equivalent (2)	684	514							
Risk-weighted equivalent	124	95							
TOTAL DERIVATIVES									
Total Notional Amount	383,446	351,848	440,840	501,679	469,163	494,969	433,411	380,569	413,392
Replacement cost (1)	2,000	2,774	1,825	1,598	1,369	1,201	1,188	1,274	1,454
Future credit risk	2,924	3,280	2,686	2,449	2,495	2,255	1,963	1,309	1,595
Credit equivalent (2)	4,924	6,054	4,511	4,047	3,865	3,456	3,152	2,582	3,049
Risk-weighted equivalent	2,159	1,747	1,316	1,061	1,047	855	828	680	807

(1) Gross positive replacement cost after permissible netting

(2) Taking into account permissible netting

(3) Before Q4-07 credit default swaps were included in Equity and commodity contracts

SHAREHOLDERS' INFORMATION

2008	2007				2006			
Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1

Credit Rating

Moody's (Long Term Debt Senior)	Aa2	Aa2	Aa2	Aa2	A1	A1	A1	A1	A1
Standard & Poor's/CBRS (Long Term Debt)	A	A	A	A	A	A	A	A	A
DBRS (Senior Debt)	AA (low)	AA (low)	AA (low)	AA (low)	AA (low)	AA (low)	A (high)	A (high)	A (high)
Fitch (Long-Term)	A+	A+	A+	A+	A+	A+	A+	A+	A+

Stock Trading Range and Other Information

High	\$ 54.25	\$ 60.28	\$ 66.14	\$ 65.87	\$ 66.59	\$ 62.86	\$ 62.69	\$ 65.60	\$ 63.90
Low	\$ 45.15	\$ 50.50	\$ 60.61	\$ 61.96	\$ 61.36	\$ 58.26	\$ 56.14	\$ 61.35	\$ 58.35
Close	\$ 50.53	\$ 54.65	\$ 60.93	\$ 61.96	\$ 64.29	\$ 61.25	\$ 58.55	\$ 62.34	\$ 61.75
Number of registered shareholders	24,629	24,780	24,935	25,147	25,316	25,531	25,644	25,845	26,049

Valuation

Market Capitalization (in millions of \$)	\$ 7,991	\$ 8,624	\$ 9,618	\$ 9,878	\$ 10,374	\$ 9,893	\$ 9,480	\$ 10,092	\$ 10,146
P/E Ratio (trailing 4 Quarters)	15.08	16.97	10.71	11.22	11.93	11.73	11.46	12.49	12.68
Market price/Book value	1.80	2.04	2.12	2.14	2.27	2.25	2.20	2.42	2.40
Dividend payout (trailing 4 quarters)	41.26%	40.00%	38.31%	38.03%	38.11%	38.21%	37.18%	36.87%	36.55%
Dividend yield (annualized)	4.91%	4.39%	3.94%	3.49%	3.36%	3.27%	3.42%	3.08%	3.11%

Other Information

Number of employees (full-time equivalent)	14,432	14,484	14,710	14,387	14,406	14,381	14,573	14,375	14,444
Number of Branches	446	447	448	450	450	451	453	455	455
Number of ATM'S	846	835	815	811	807	801	800	802	797

The Common Shares of the Bank as well as the First Preferred Series 15 and Series 16 are listed on the TSX.

The ticker symbols and newspaper abbreviations for the Bank's shares listed are as follows:

	Ticker Symbol	Newspaper Abbreviations Toronto
Common Shares	NA	National Bk
First Preferred Shares		
Series 15	NA.PR.K	Natl Bk 15
Series 16	NA.PR.L	Natl Bk 16