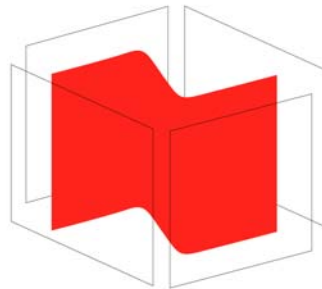


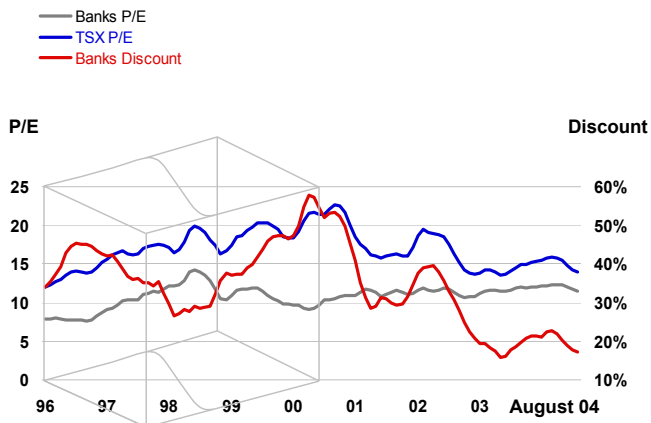
**CIBC World Markets
Frontenac Institutional Investor
Conference**

**Michel Labonté
Senior Vice-President, Finance,
Technology and Corporate
Affairs**

Quebec City, September 30, 2004

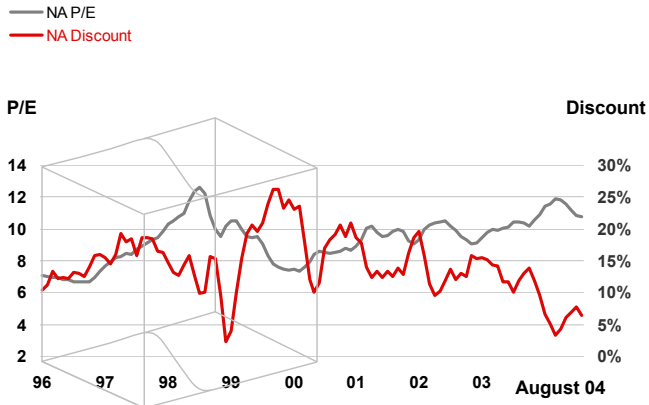


P/E Banks (12 Months Forward)



Source: IBES; 3 months average

P/E NA (12 Months Forward)



Source: IBES; 3 month average

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New Reality of Banking Industry Reduced impact of interest rate hikes



- Increase net margins through lending of capital and low cost demand deposits
- Provide higher current income for households
- Reduce capital market fees which translates in an increase of loan demands

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4

New Reality of Banking Industry

Banks are less vulnerable than in the past



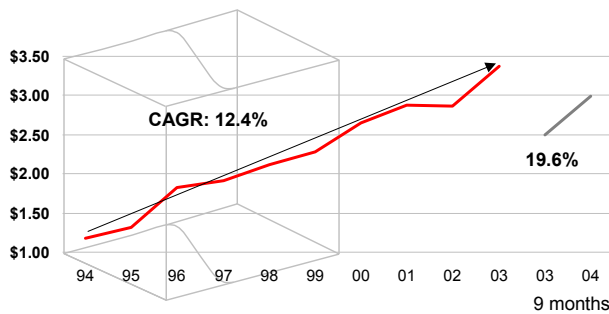
- Improved balance sheet, sophisticated risk management and underwriting tools
- Decreasing interest rates in the 2001-2003 credit down cycle
 - Losses stemmed mostly from tech bubble implosion
- Businesses today more liquid than in the past

Market recognition:

- Bank shares outperformed TSX by a wide margin
- National Bank has been top performer within the group



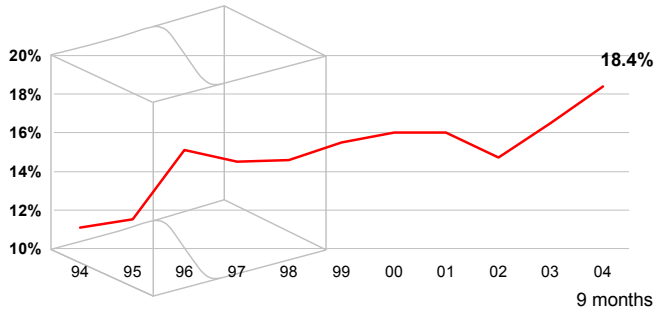
EPS



2002 Excludes impairment charge on investment



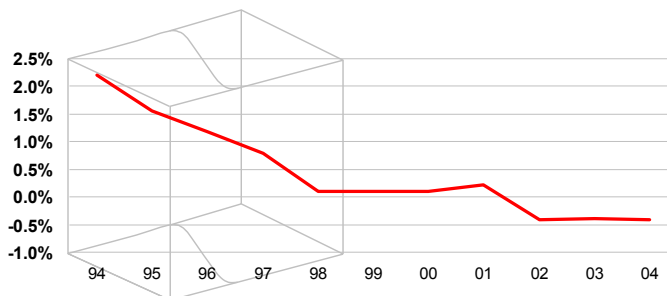
ROE



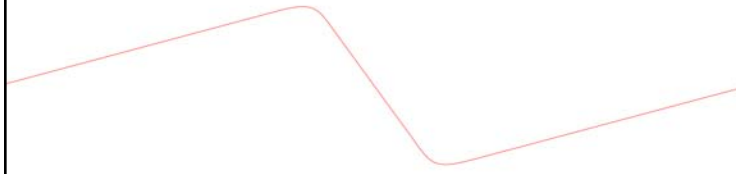
2002 Excludes impairment charge on investment



Net Impaired Loans % of loans and BAs



Quality of assets

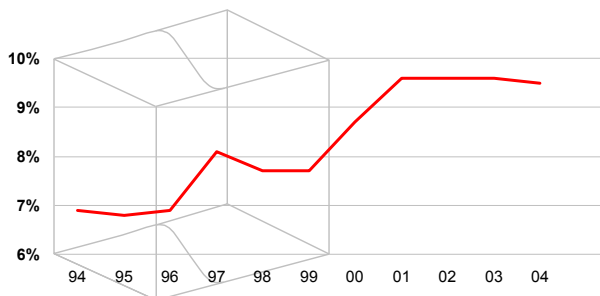


	9MS 2004		Y/E 2003	
	NBC	Big 5	NBC	Big 5
Net non-performing ¹	-0.46%	-0.28%	-0.38%	-0.19%
Provisions for loan losses ¹	0.35%	0.33%	0.45%	0.46%
Gross non-performing ²	12.4%	11.8%	13.0%	15.7%

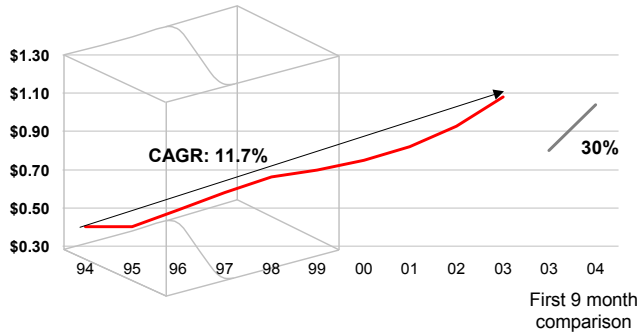
⁽¹⁾ As % of loans and BAs
⁽²⁾ As % of tangible equity



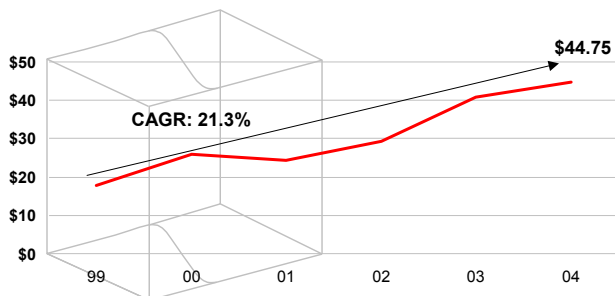
Tier 1 Capital Ratio



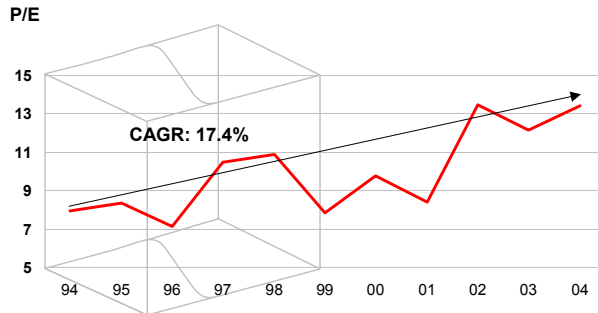
Dividends



Share Price



Trailing P/E



13

Financial Objectives Well on Way to Being Matched



Excellent positioning for year end

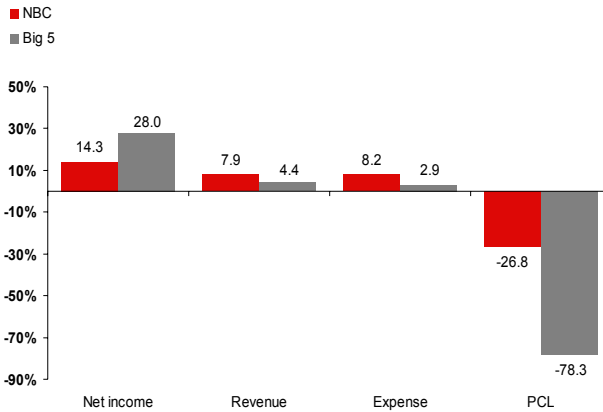
	2004 Objectives	Q3 04	YTD
Growth in earnings per share	5% to 10%	7%	20%
Return on common shareholders' equity	15% to 17%	17%	18%
Tier 1 capital ratio	8.75% to 9.50%	9.5%	9.5%
Dividend payout ratio ⁽¹⁾	35% to 45%	34%	34%



⁽¹⁾ Trailing 4 quarters

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Change in Net Income 9 MS 04 vs 9 MS 03



Loan Losses and Provisioning



	9M04		9M03	
	NBC	Big 5	NBC	Big 5
Reported losses ¹	0.31%	0.12%	0.44%	0.54%
Specific provisions ¹	0.35%	0.33%	0.45%	0.46%
General provision ²	0.94%	0.80%	1.02%	0.92%

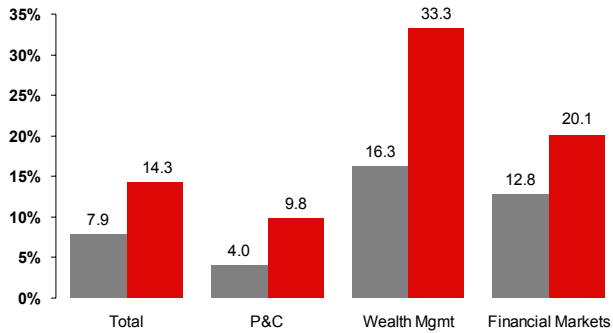
⁽¹⁾ As % of loans and BAs

⁽²⁾ As % of BIS assets, July 31

Sectoral Growth 9 months 2004



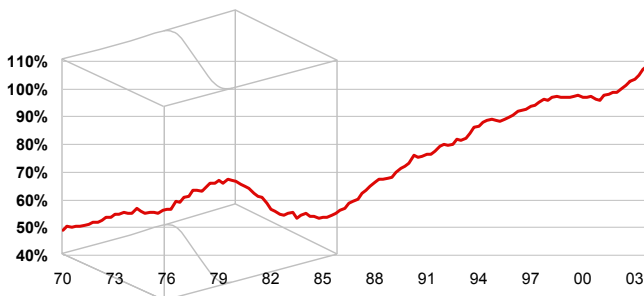
■ Revenue
■ Net Income



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Consumers' Debt % of Disposable Income



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National Bank Strategy



- Super-regional bank dominant in Quebec
- Sharp focus on markets outside Quebec where we can add value
- Generating economies of scope
- Providing superior quality of service
- Building on strategic alliances
- Maintaining strong capital base



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The Outlook for EPS Growth



- Revenue enhancement
- Expense control
- Risk management
- Active capital utilization



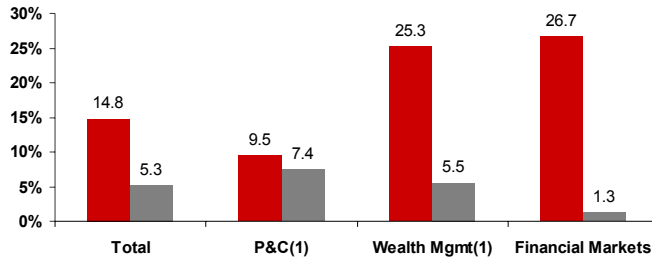
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Revenue Growth 9ms04+2003 vs 9ms03+2002



■ NBC
■ Big 5



(1) 4 banks excl. Scotia

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Dominant Position in Quebec Our core market

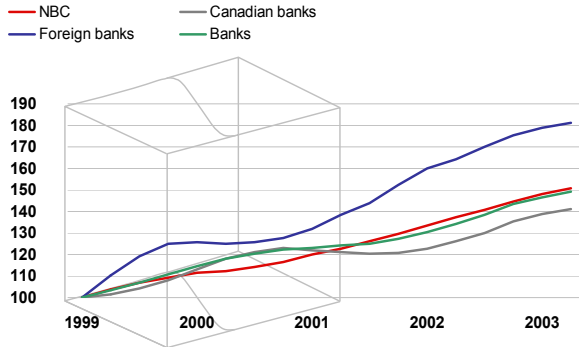


- Being #1 or #2 in all markets open to us remains priority
- Market share almost double of closest bank competitor
- Highly aggressive within higher margin markets
 - Credit cards
 - Wealth Management
 - Commercial mid-market
- Focus on profitable growth rather than striving to gain raw market share by matching predatory pricing

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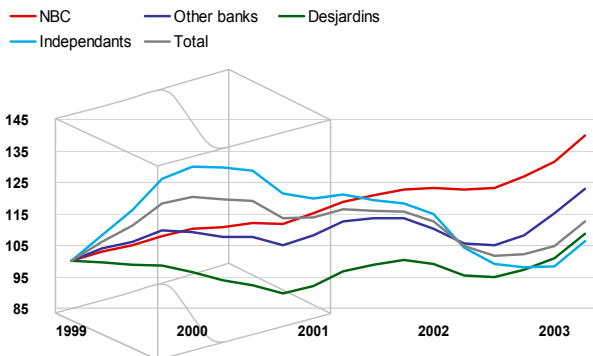
Credit Card Receivables Quebec



Moving average 1999=100



Mutual Funds AUM Quebec



Moving average 1999 = 100



Business Development: Quebec Initiatives



Wealth Management

- Goal of increasing clients' share of wallet
- Deployment of 280 financial planners in high volume branches
- More than 50 structured products created



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National Bank Family of Funds

Net sales 12 months



Growth

NA	18.1%
BMO	12.8%
RY	8.7%
TD	6.3%
BNS	4.2%
CM	1.4%
6 banks	7.3%
Mutual Funds Industry	3.8%

Results:

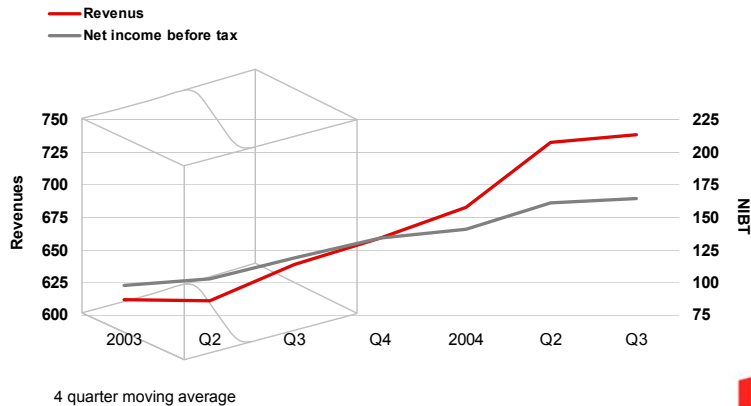
– 108,000 clients assigned to financial planners, 117,000 clients assigned to private bankers

– \$800 M new assets under management coming from outside Bank



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Wealth Management Millions \$



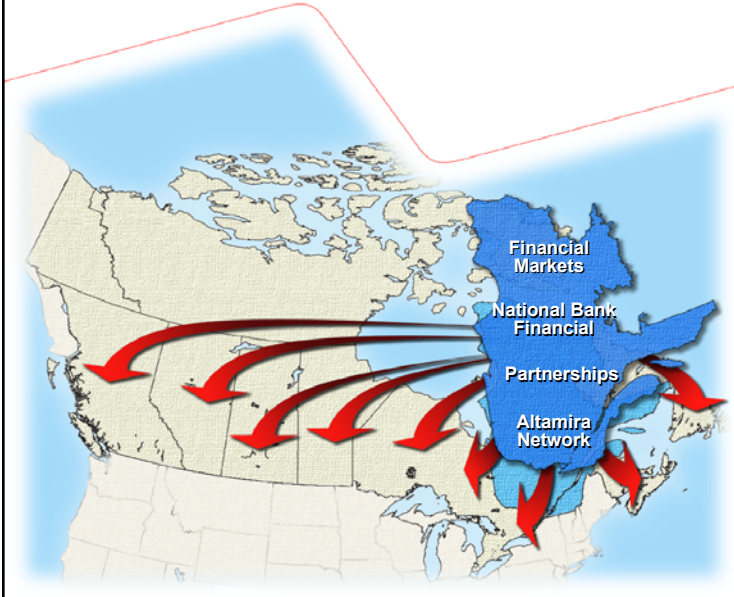
Business Development: Quebec Initiatives



P&C Insurance

- Direct insurance partnership with AXA continues to grow at 15% range
- 66,000 active car insurance policies, 40% from non-bank clients
- Ranked in #2 or #3 spot for brand recognition depending on the measure

Niche Strategy of National Bank Business Model

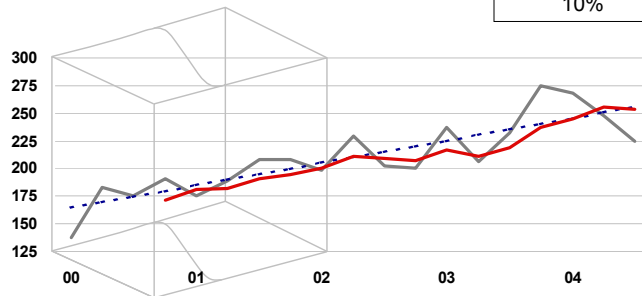


Quarterly Revenues Financial Markets, Millions \$

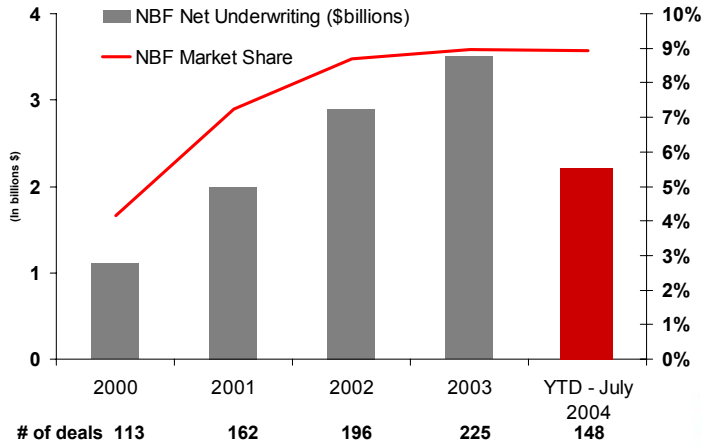


— Quarter
- - - Trend
— Average 4 quarters

Growth trend
10%



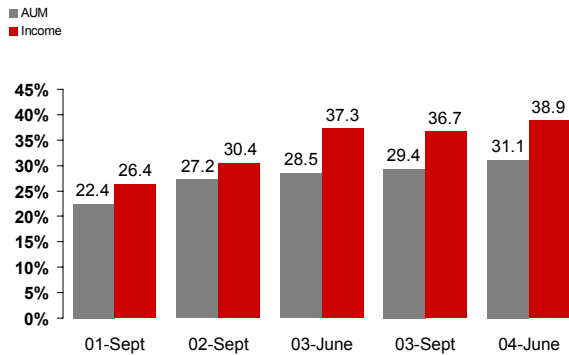
Competitive Positioning Equity Issues



Source: National Bank Financial Database

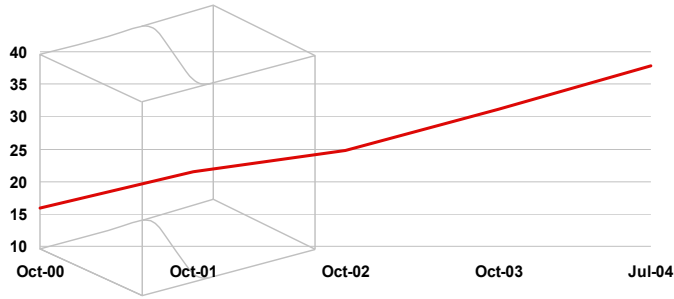


NBF Retail Outside Quebec



AUA NBCN

Billions \$

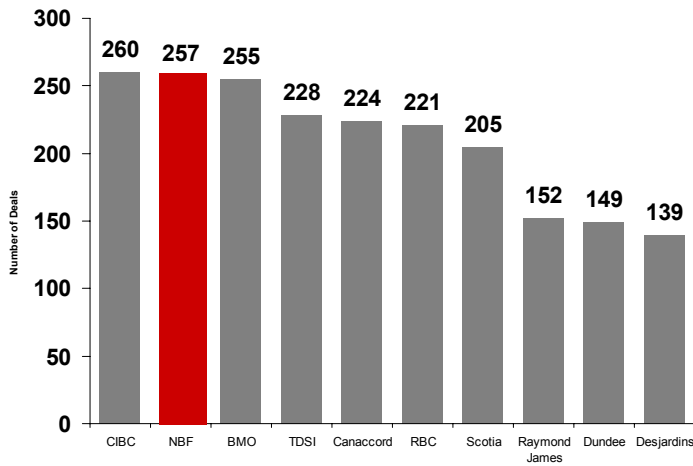


Investment Banking Group

New Issuance of Equities



Corporate Equity Participation: July 1, 2003 – June 30, 2004



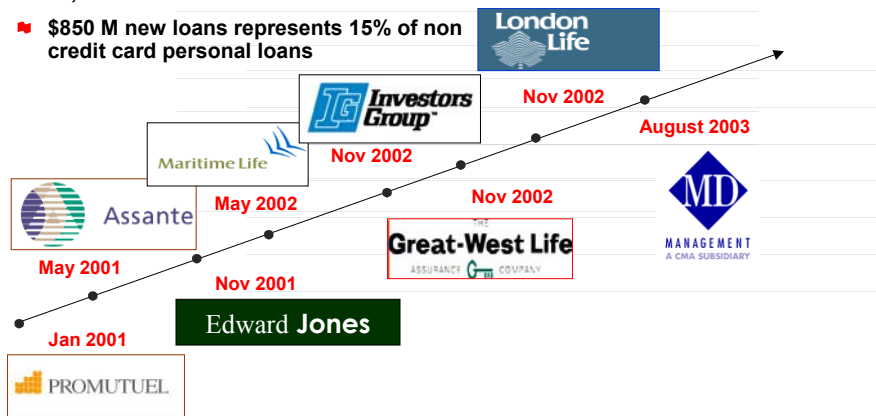
Source: National Bank Financial database



Partnerships – Key Business Development Strategy



- \$70 M of new loans each month
- 75,000 new accounts
- \$850 M new loans represents 15% of non credit card personal loans



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Revitalizing NBC Retail Operations West of Quebec



Net Sales – July YTD (In millions)

	2004	2003
Savings	136	39
Investment products	49	(1)
Credit	130	(45)



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Altamira/Bank Connection

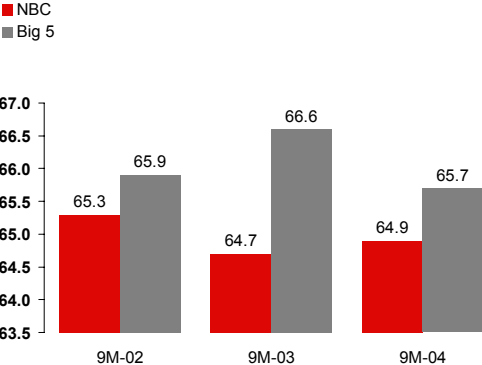


Promising growth opportunities:

- Direct fund distribution through Altamira and National Bank branches
- Investment products and expertise at Altamira with full retail banking products
- Strong Altamira brand presence across Canada



Efficiency Ratio Bank (%)



Risk Management

Quality of assets



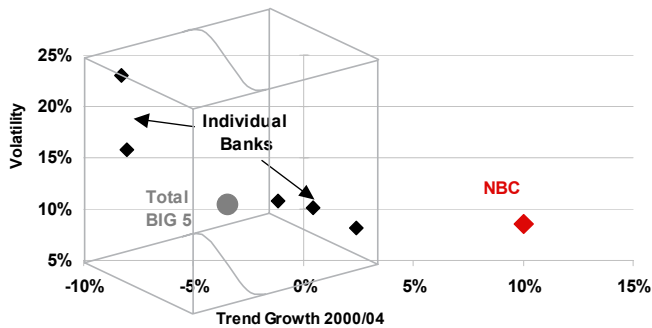
	9MS 2004		Y/E 2003	
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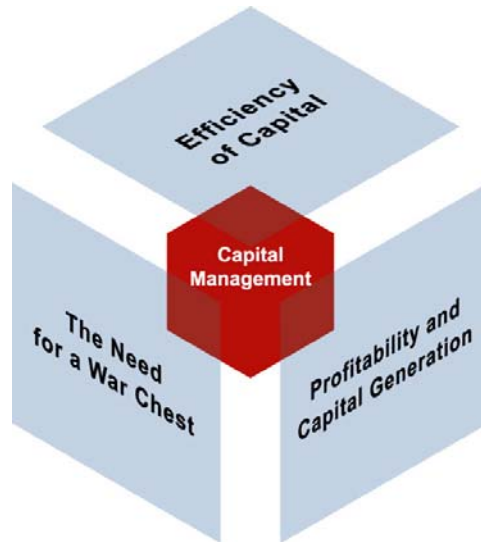


Growth and Volatility

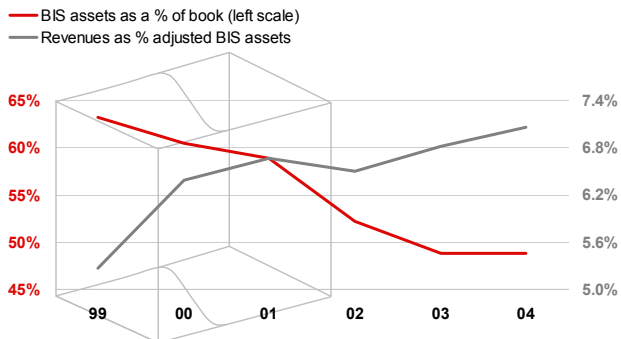
Financial Markets Revenue



Capital Management



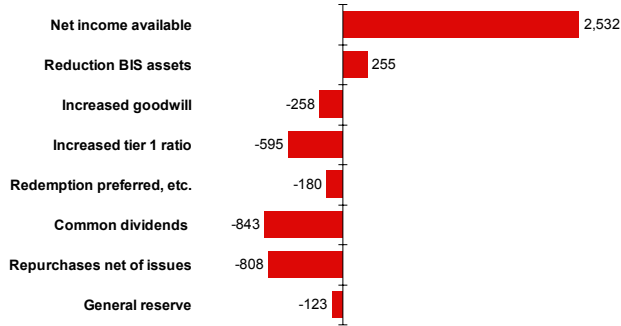
Capital Efficiency



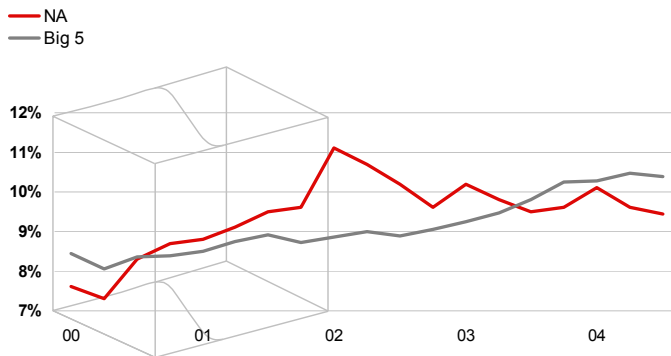
Adjusted BIS assets equal BIS assets plus 12.5x gross goodwill and intangibles from acquisitions

Capital Sources and Uses

2000-04, Millions \$



Tier 1 Capital Ratio



National Bank: the winner of the best defensive-offensive stock



In summary:

- Banks have been an excellent pick relative to the market during the past five years
- Need new valuation to reflect the major improvements of the banking industry
- National Bank has been the best performer of the group



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Q&A

Michel Labonté

**Senior Vice-President, Finance,
Technology and Corporate Affairs**

Quebec City, September 30, 2004



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From time to time, National Bank of Canada makes written and oral forward-looking statements, included in this analyst and investor presentation, in other filings with Canadian regulators or the U.S. Securities and Exchange Commission, in reports to shareholders, in press releases and in other communications. All such statements are made pursuant to the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements include, among others, statements with respect to the economy, market changes, the achievement of strategic objectives, certain risks as well as statements with respect to our beliefs, plans, expectations, anticipations, estimates and intentions. These forward-looking statements are typically identified by the words "may," "could," "should," "would," "suspect," "outlook," "believe," "anticipate," "estimate," "expect," "intend," "plan," and words and expressions of similar import.

By their very nature, such forward-looking statements require us to make assumptions and involve inherent risks and uncertainties, both general and specific. There is significant risk that express or implied projections contained in such statements will not materialize or will not be accurate. A number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. Such differences may be caused by factors, many of which are beyond Bank's control, which include, but are not limited to, changes in Canadian and/or global economic and financial conditions (particularly fluctuations in interest rates, currencies and other financial instruments), liquidity, market trends, regulatory developments and competition in geographic areas where the Bank operates, technological changes, consolidation in the Canadian financial services sector, the possible impact on our businesses of international conflicts and other developments including those relating to the war on terrorism and the Bank's anticipation of and success in managing the risks implied by the foregoing. The Bank cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Bank's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The Bank therefore cautions readers not to place undue reliance on these forward-looking statements. The Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on behalf of the Bank.

