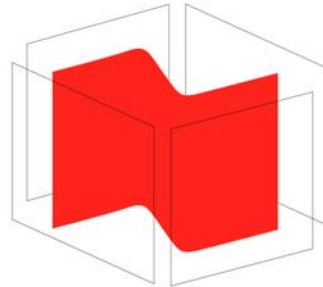


RBC Capital Markets Financial Institutions Conference

Réal Raymond
President and CEO

Martha's Vineyard, September 28, 2004



Today's Agenda

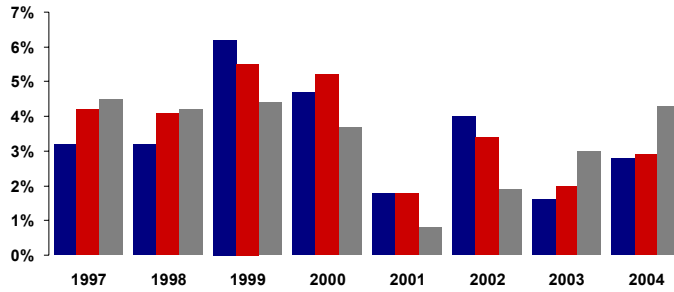


- ▀ Overview of Canadian and Quebec economies
- ▀ Investment opportunity in Canadian banks
- ▀ National Bank performance

Real GDP Growth



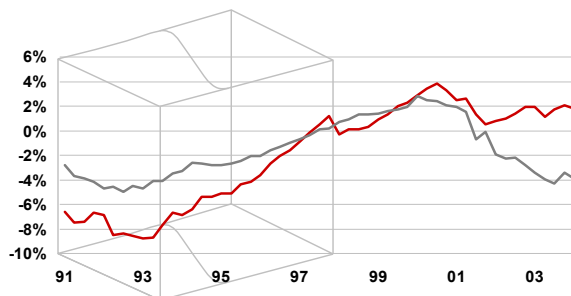
- Quebec
- Canada
- US



Surplus Balance % GDP



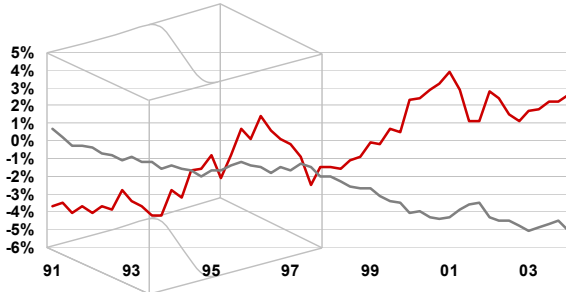
- Canada
- US



Current Account Balance % GDP



— Canada
— US

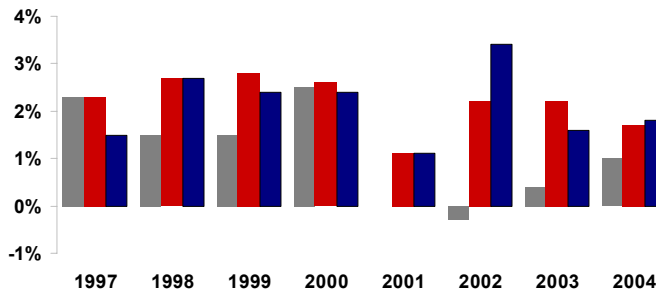


 NATIONAL BANK OF CANADA

Employment Growth

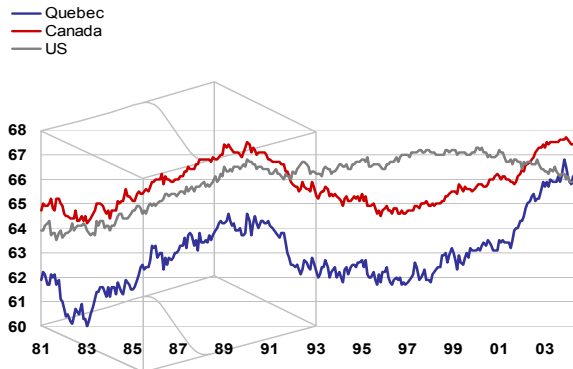


■ US
■ Canada
■ Quebec

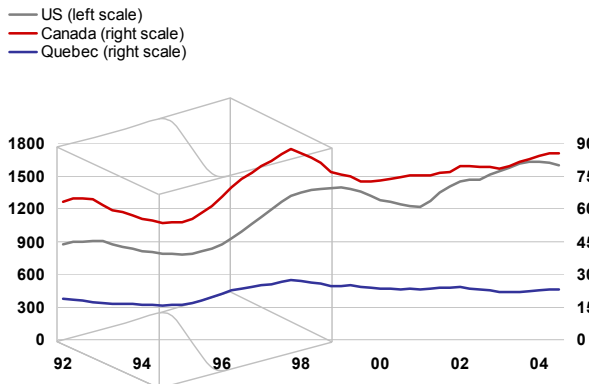


 NATIONAL BANK OF CANADA

Labor Force Participation Rate



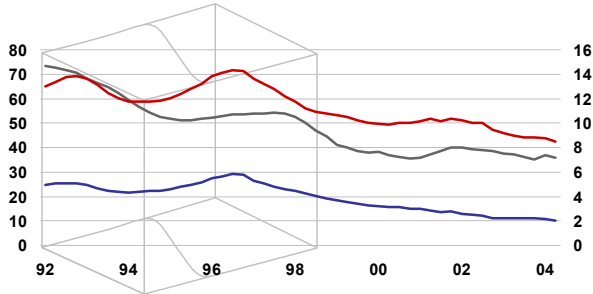
Personal Bankruptcies (Thousands)



Business Bankruptcies (Thousands)

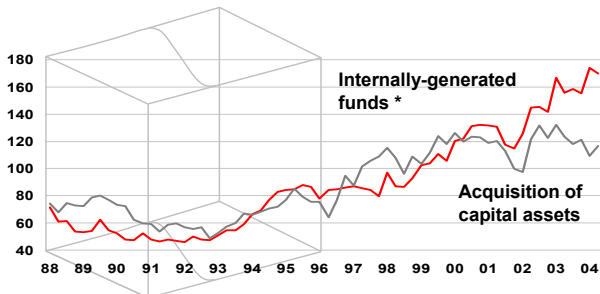


— US (left scale)
— Canada (right scale)
— Quebec (right scale)



NATIONAL BANK OF CANADA

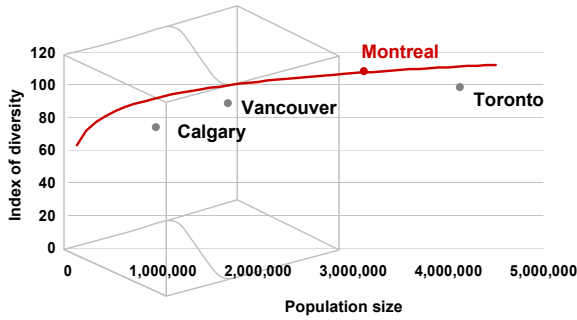
Canada: Non Financial Businesses



* Undistributed profits and amortization

NATIONAL BANK OF CANADA

Industrial Diversification



Source: Statistics Canada 2002; Toronto=100

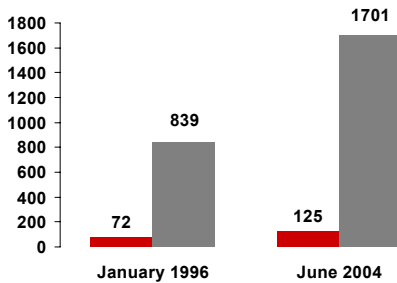


Canadian Bank Assets

Billions CDN \$



■ Foreign
■ Domestic



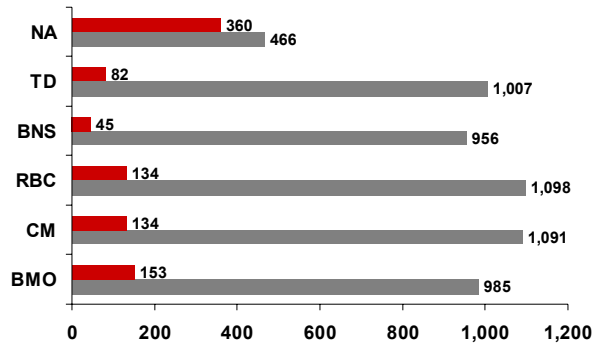
Foreign bank market share:
6.8%



Branch Footprint As at July 2004



■ Quebec
■ Canada



 NATIONAL BANK OF CANADA

13

Market Shares* As a % of Cdn Peer Banks



	Canada	Quebec
Personal and Commercial		
Individuals' loans and deposits	5%	34%
Small and Medium Enterprise lending	9%	39%
Total Commercial lending	9%	37%
Wealth Management		
Retail Brokerage	10%	30%
Mutual Funds	6%	23%
Financial Markets (1)		
Equity Issues	9%	-
Corporate bond issues	8%	-
Provinces and municipalities	13%	-

* Estimated

(1) % of total market

 NATIONAL BANK OF CANADA

14

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

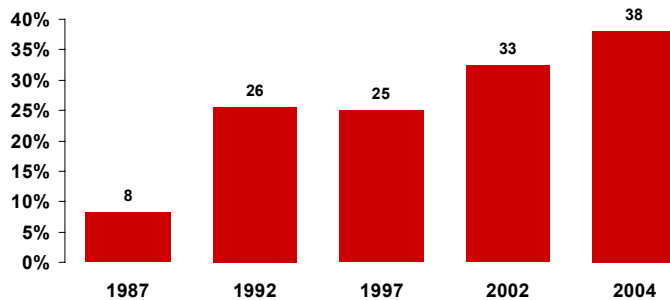


15

Bank Market Share – Mutual Funds As % of AUM



Assets Managed
by the Big 6 :
78%



16

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

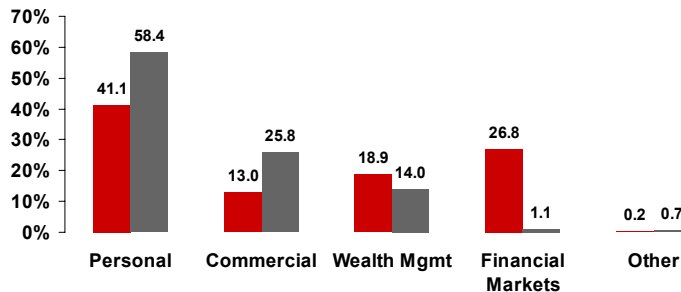


17

Super Regional Banks with Diversified Activities



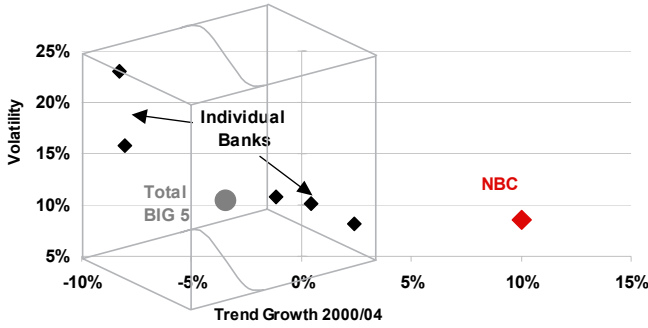
■ NA
■ US Peers



18

Growth and Volatility

Financial Markets Revenue

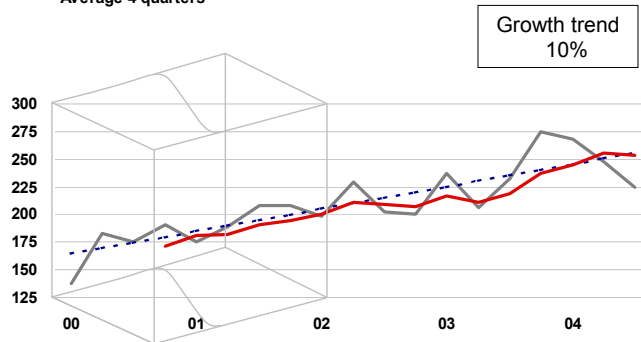


Quarterly Revenues

Financial Markets, Millions \$



— Quarter
 - - - Trend
 — Average 4 quarters



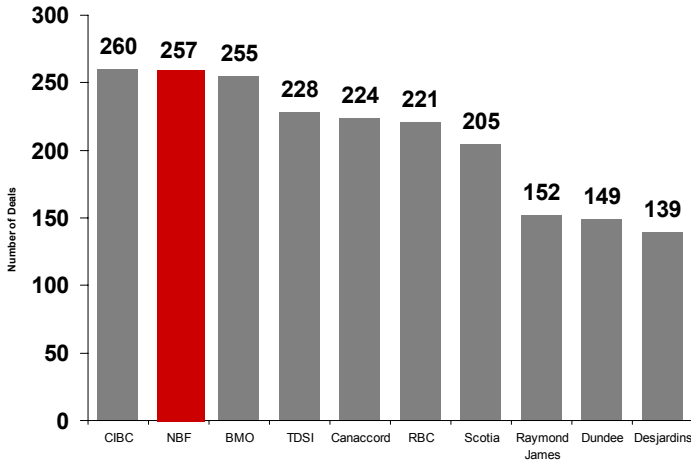
Growth trend
10%

Investment Banking Group

New Issuance of Equities



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

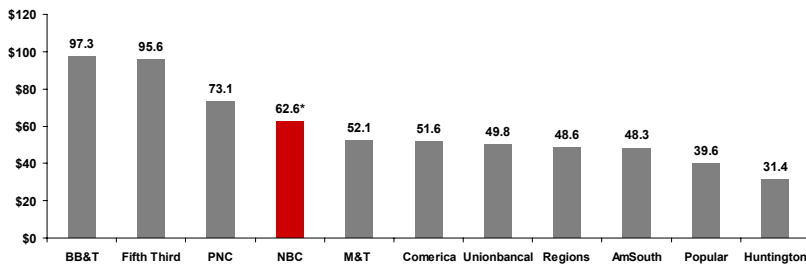


Source: National Bank Financial database



US Peer Regional Banks

Total assets in Billions US \$



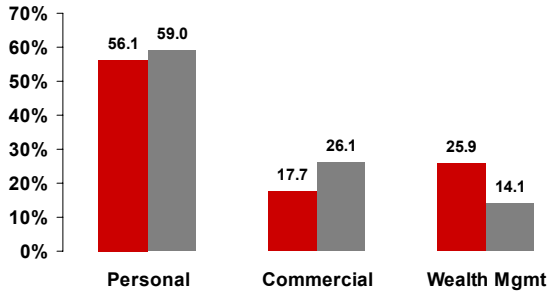
* Conversion rate at 0.75 US\$



Income Sources

NA vs US Peers

■ NA
■ US Peers

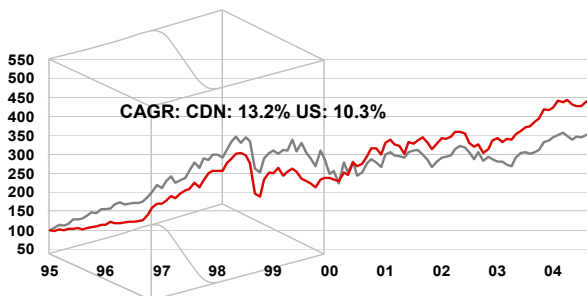


Excludes Financial Markets sector

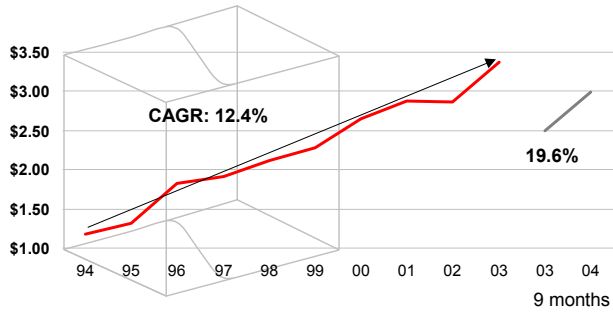


Banks' Price Index

— S&P 500 US
— S&P TSX (CDN)



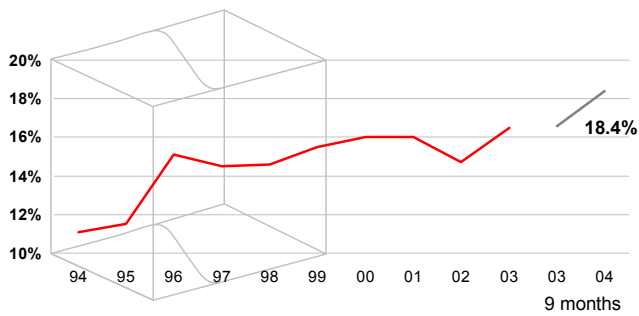
CASH EPS



2002 Excludes impairment charge on investment



CASH ROE

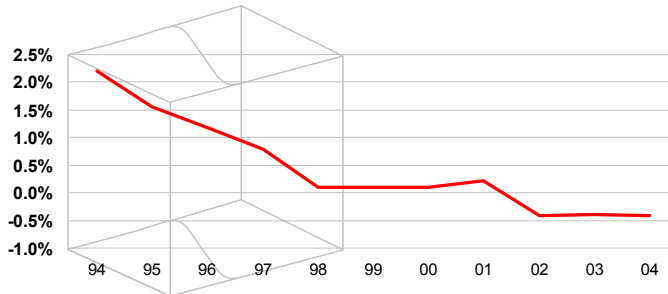


2002 Excludes impairment charge on investment



Net Impaired Loans

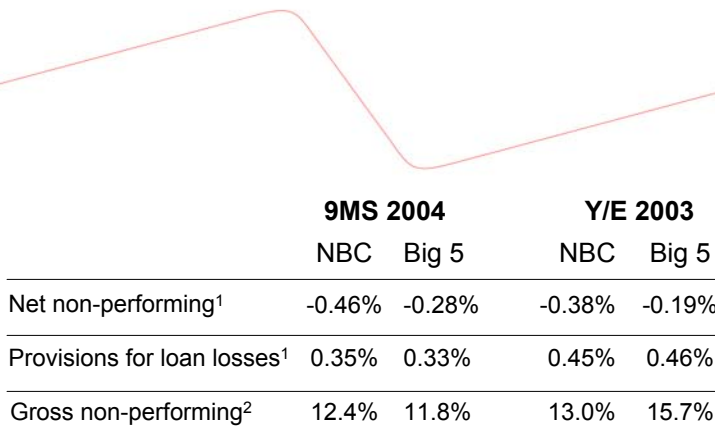
% of loans and BAs



**NATIONAL
BANK
OF CANADA**

27

Quality of assets



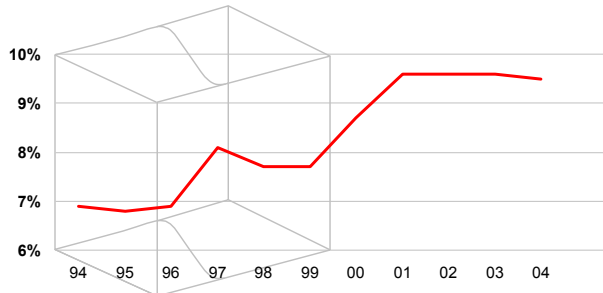
⁽¹⁾ As % of loans and BAs

⁽²⁾ As % of tangible equity

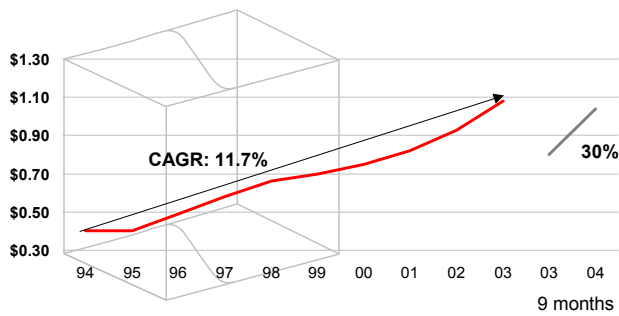
**NATIONAL
BANK
OF CANADA**

28

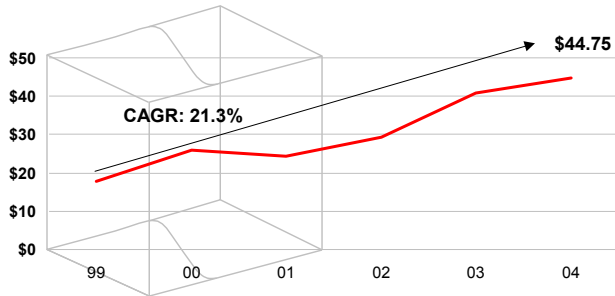
Tier 1 Capital Ratio



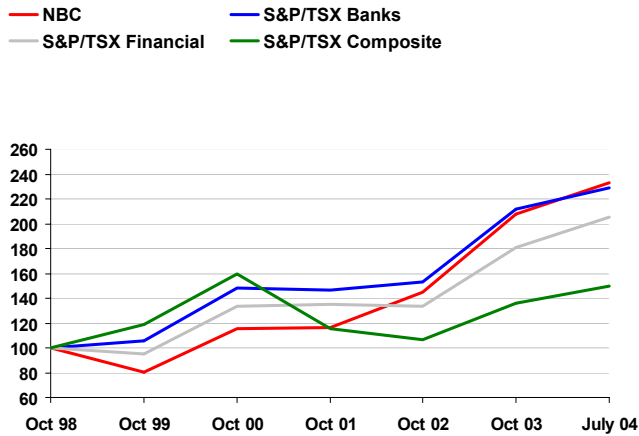
Dividends



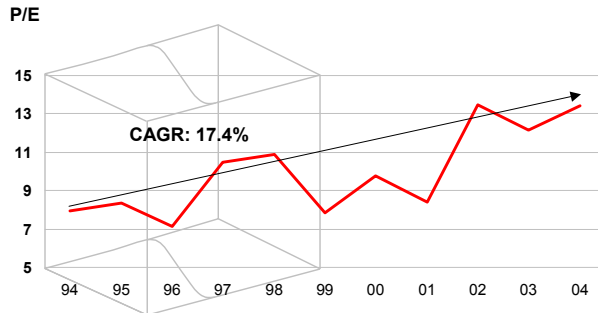
Share Price



Total Shareholder Return



Trailing P/E



33

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

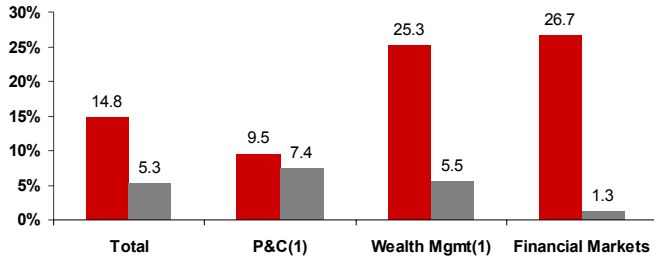
34

Revenue Growth

9ms04+2003 vs 9ms03+2002



■ NBC
■ Canadian Peers



(1) 4 banks excl. Scotia

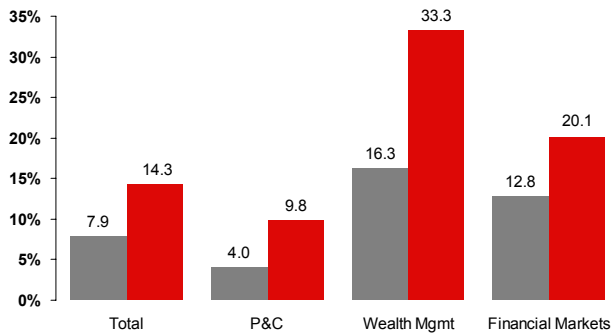


Sectoral Growth

9 months 2004



■ Revenue
■ Net Income

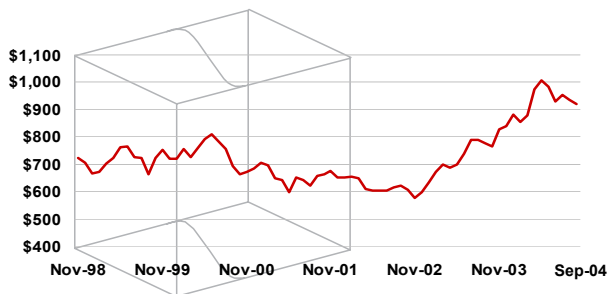


Business Development: Outside Quebec

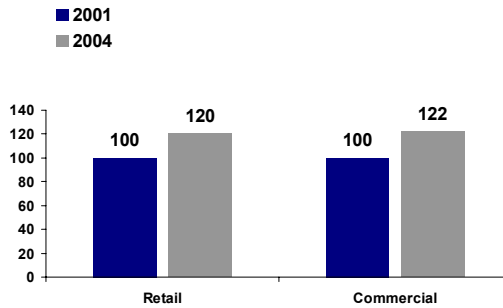


- Hired numerous advisors in Financial Markets sector
- Altamira continues to grow and generate positive results
- Boosted branch operations

Energy Lending Assets In Millions \$



Customer Satisfaction, Quebec # of very satisfied clients



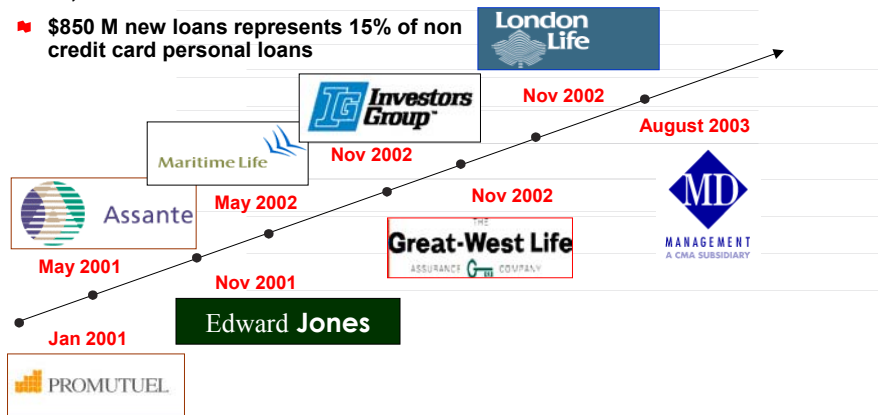
2001 = 100



Partnerships – Key Business Development Strategy



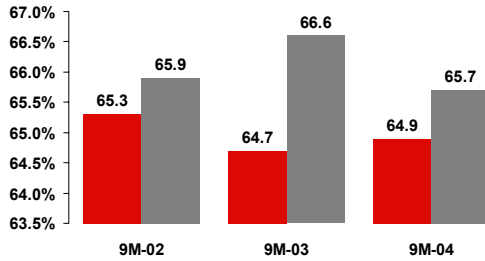
- \$70 M of new loans each month
- 75,000 new accounts
- \$850 M new loans represents 15% of non credit card personal loans



Efficiency Ratio Bank (%)



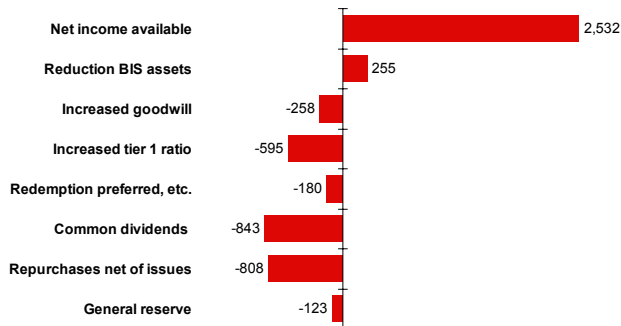
■ NBC
■ Canadian Peers



 NATIONAL BANK OF CANADA

41

Capital Sources and Uses 2000-04, Millions \$



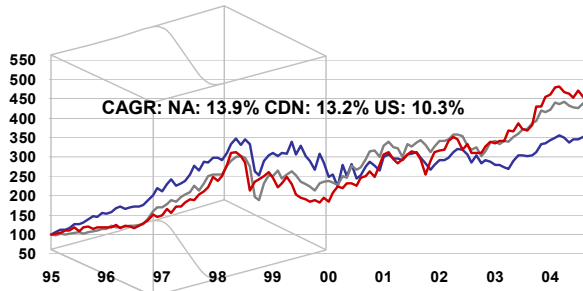
 NATIONAL BANK OF CANADA

42

Banks' Price Index



— S&P 500 (US)
— S&P TSX (CDN)
— NA



**NATIONAL
BANK
OF CANADA**

43

Valuation Metrics

As at July 2004



	P/E	P/B	Payout	Yield
NA	11.3	1.96	34%	2.8%
CDN Peers	12.1	2.26	36%	3.1%
US Peers	13.7	2.28	41%	3.0%

**NATIONAL
BANK
OF CANADA**

44



Q&A

Réal Raymond

President and CEO

Martha's Vineyard, September 28, 2004



45

Investor Relations: 514.394.0296
www.nbc.ca/investorrelations
investorrelations@nbc.ca



CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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.



46